





## OVERSEAS NEWS

Michael Holman, Africa Editor, examines the career and 21-year incarceration of ANC leader Nelson Mandela

## Peace hinges on the legendary hero of black S. Africa

IT WAS in June, 1961, that a black South African attorney, rapidly acquiring a national reputation in his own country but virtually unknown abroad, sent an ultimatum to the architect of apartheid and then the Prime Minister, the late Dr Hendrik Verwoerd, demanding a national convention to draw up a non-racial and democratic constitution.

"There are two alternatives before you: either you accede to our demands... and you may still save our country from economic dislocation and ruin and from civil strife and bitterness. Alternatively you may choose to persist with the present policies which are cruel and dishonest... (and) which we shall never cease to fight against."

Dr Verwoerd did not reply.

Many observers now believe that Mr Nelson Mandela, the man who wrote that letter and the imprisoned leader of the banned African National Congress (ANC) is one of the key figures who Dr Verwoerd's successors must release and negotiate with if the turmoil which has gripped South Africa is to end.

The 61-year-old Mandela is perhaps the only figure with sufficient authority and influence to provide South Africa with a lull to consider its constitutional future. This is the view of the ANC national executive, who gathered on June 16-23 in the Zambian town of Kabwe to plan the next stage in their battle against white rule, the angry youth of riot-torn black townships across the republic, and it seems, several South African Cabinet ministers.

Many observers believe that Mr Mandela's response from his cell at Pollsmoor prison, near Cape Town, will make or break the much-heralded new initiative due to be announced by Mr P. W. Botha, the South African President, in Durban tomorrow night.

The initiative, according to some observers, could include the release of Mr Mandela as well as the introduction of some major reforms which only a few months ago would have seemed inconceivable.

However, Mr Steven Solarz, the U.S. Congressman who has led the sanctions campaign in the House of Representatives, has damped expectations that

discrimination that marked South Africa long before today's ruling National Party took power in 1948. Mr Mandela, after winning an arts degree by correspondence, took a law degree at the University of Witwatersrand in Johannesburg. He served his articles with a firm of white attorneys, then set up his practice in Johannesburg with Mr Tambo, defying the racial restrictions of the day.



Many observers now believe that the imprisoned leader (right) of the banned African National Congress is one of the key figures. Pretoria must release and negotiate with if the turmoil which has gripped South Africa is to end.

Government formed after 1948. These events (building on numerous earlier acts of black opposition) are recalled today like a roll call of battle honours: the African mine strike in 1946 (which might have its contemporary parallel if the strike due to start later this month takes place); the national day of protest on June 26 1950; the 1952 "defiance" campaign against unjust laws; and the adoption by a "congress of the people" in June 1955, a document which guides ANC policy to this day.

Its central assertion is a belief in democracy, non-racialism and an equitable society. The charter would have been unworkable in no other country than South Africa, where the Government treated it as revolutionary.

Mr Mandela, speaking about the charter during his last public appearance, on trial for treason in 1964, said: "It is a means as a blueprint for a socialist state. It calls for redistribution, but not nationalisation of land. It provides for nationalisation of mines, banks and monopoly industry, because big monopolies are owned by one race only, and without such

non-military targets which could include civilians. At the funerals around South Africa today, where the black, green and gold banners of the ANC are unfurled, the youth are calling for a revolution.

The Rivonia trial ended after 11 months and Mr Mandela and his fellow defendants were found guilty of treason. He was sentenced to life imprisonment, flown to Cape Town, and then taken by ferry to Robben Island, South Africa's notorious maximum security prison. He was moved to Pollsmoor, where his conditions were made less arduous, in 1982.

Visitors, including his wife Winnie Mandela, a formidable political figure in her own right, say that despite 21 years of incarceration Nelson Mandela's spirits remain high. His mental abilities are as acute as ever. He has not faded in black South Africa's ultimate triumph undiminished.

One recent visitor noted that, such was Mr Mandela's authority, it was he rather than the warders who appeared to be in charge. That may also reflect Pretoria's acknowledgement that the man they hold could be the key to South Africa's future.

## Four survivors found in wreckage of Japanese aircraft

By JUREK MARTIN IN TOKYO

TWO women and two girls appear to be the only survivors of Japan Air Lines' flight 123 from Tokyo to Osaka which crashed on Monday evening with 524 passengers and crew on board. All were seated at the rear of the aircraft.

The crash is the largest disaster involving a single aircraft in aviation history.

Rescue operations were called off last night at dusk in the rugged, heavily wooded hills of Nagano Prefecture about 75 miles north-west of Tokyo. Approximately 50 bodies had been recovered.

Aerial photography suggested that the Boeing 747 short-range jumbo jet, specially adapted for use in Japan, had bounced at least twice on hillsides and ridges before cutting a jagged and final scar through trees and breaking up. Wreckage was scattered over an area of several square kilometres. What remained of the fuselage and engine was still emitting smoke as night fell.

The survivors—a mother and her eight-year-old daughter, an off-duty 26-year-old stewardess and a 12-year-old girl—had to be lifted by military helicopter from the remote scene of desolation. All except the 12-year-old were said to be suffering from multiple injuries and all were in deep shock: they had lain in the wreckage for well over 12 hours.

Last night, neither flight 123's voice or flight recorder had been found and none of the survivors was in a condition to describe the circumstances of the disaster. Investigators' attention con-

tinned to be focused on the rear, right-side passenger cabin door—known in Boeing designs as R5. In his final radio messages, the pilot of flight 123, Mr Masumi Takahama, had referred to unspecified problems with the door.

Some aviation experts here doubted that four people sitting at the back of the aircraft could have survived if the rear door had blown out. Much interest, however, was aroused by a report from the Los Angeles Times newspaper quoting the U.S. Federal Aviation Administration that the Boeing 747 had a record of passengers and cargo door problems.

All that did seem self-evident was that something had cut the aircraft's main flight control systems. In his final received radio communication, Captain Takahama said that aircraft was out of control.

JAL shares took an inevitable beating on the Tokyo stock exchange yesterday, closing down the maximum permitted limit for a day of Y1,000 at Y1,600.

Mr Yasumoto Takagi, the company's chairman, offered his apologies, but said he would not resign. Japanese society expects senior people to take "personal responsibility" for disasters, regardless of their cause. Mr Takagi faced similar pressure to quit after the last JAL crash at Haneda airport in Tokyo in 1981.

Mr Takagi also denied that JAL maintenance had been in any way negligent. The Japanese Press pointed out that the departure of a JAL aircraft which took Mr Yasuhiro Naka-



one, Prime Minister, to Europe last month was delayed because of maintenance problems. Among the apparent victims of the disaster were Mr Kazuo Kida, chief economist of Sumitomo Bank, a pop singer whose professional name was Kyo Sakamoto, known 20 years ago for his hit song Sukiya, a retired Sumo wrestler and the president of one of the Japanese professional baseball teams. The family of Mr Kimble Mathews, the 28-year-old Briton

killed in the crash yesterday flew to Japan. Mr Kimble of Enfield, Middlesex and his Japanese girlfriend Masako Nishituchi, a 25-year-old travel agent, left Britain on Sunday after a three-week visit to discuss their planned engagement.

The passenger list for flight 123 included 20 other foreigners, among them six Americans, two West Germans, two Italians, two people believed to be Indian, and four believed to be Chinese residents of Hong Kong.

## Komoto resignation casts doubt over future of his faction

By JUREK MARTIN IN TOKYO

THE LONDON insurance market will be liable for 57 per cent of the total claims made as a result of the Japan Air Lines 747 crash and the accident is likely to cause aviation underwriters to reconsider their rates on what was regarded as the safest airliner in operation.

JAL's primary insurer is Tokyo Marine and Fire Insurance, but 57 per cent of the risk was reinsured in the London market with Lloyd's and companies.

The aircraft itself was insured for \$35m (£25m), but the ultimate liability for passengers is unknown and virtually unlimited. Under the Warsaw convention all passengers on international flights are insured for a standard \$75,000 of passenger liability—paid on death or other accident to the manufacturer, in the courts for settlements above the standard.

It will be several years before the claims are ultimately settled and at the moment Lloyd's is not prepared even to hazard a guess at the cost. Claims from the South Korean 747 disaster two years ago are far from being settled and preliminary guesses put the insurance costs in the region of £200m.

A statement from the chairman of Lloyd's Aviation Underwriters' Association when Lloyd's global results are announced next month should indicate underwriters' thinking on rates for 747 jetliner insurance. The JAL crash follows the crash of an Air India 747 off the coast of Ireland in June.



Komoto: determined to remain faction leader

NEW machinery orders from the Japanese private sector, a leading indicator of private capital investment in the ensuing six to nine months, rose 4.1 per cent in June from the previous month to a seasonally-adjusted Y534bn, Kyodo reports from Tokyo.

But the growth appears to be peaking out because May's advance reflects a rise in orders for aircraft engines from the Defense Agency.

This combination of economic liberalisation and an independent tradition had even made the Komoto faction an intermittently attractive proposition to the opposition centre-left parties in their dreams and schemes of an anti-LDP coalition.

But his defeat by Mr Nakasone in 1982 and the problems of Sanko Steamship, which began to surface in the following

year, pulled the rug from under Mr Komoto's ambition. The faction lost seats in the 1983 general election and last year Mr Komoto suffered the humiliation of being unable to raise the signatures needed of 50 MPs in order again to run against Mr Nakasone.

His decline—and the progressive drying up of the funds

## Australia sets record trade deficit

By Michael Thompson-Noel in Sydney

AUSTRALIA suffered a record monthly trade deficit of A\$465m (£242m) in July, against a surplus of A\$117m in June, as imports surged by 15 per cent to A\$3.2bn.

There are fears, echoed by the Organisation for Economic Co-operation and Development (OECD) last weekend, that Australia's rapidly rising import bill will fuel a surge in the inflation rate and thus endanger the otherwise robust performance of the economy under Mr Bob Hawke's Labor Government.

The Bureau of Statistics said imports of machinery and transport equipment rose by about 30 per cent last month, providing most of the impetus for the overall rise. Nevertheless, exports last month were 6 per cent lower at A\$2.8bn. There was a net deficit on invisibles of A\$857m, and a record monthly current account deficit of A\$1.8bn. Net apparent capital inflow, at A\$1.2bn, was A\$818m higher than in June.

Mr Paul Keating, the Treasurer, admitted yesterday that the Government would not now proceed with the introduction of a broad-based consumption tax as part of its plan for tax reform. There is also a question mark over plans for a capital gains tax.

Mr Keating said the Government still wanted to cut marginal income tax rates and claimed the tax package, when it emerges, would be fair-ranging.

But John Howard, the shadow treasurer, said the Government's climbdown on tax was the biggest victory for Labor's left wing.

## Manila draws first tranche of loan

THE PHILIPPINES has drawn the first tranche of \$400m (£200m) of the \$225m new money extended by international banks under a \$165m commercial debt restructuring programme, reports Samuel Sanoren from Manila.

The Philippines is to apply some \$256m of the new money, drawn ahead of schedule on Monday, to clear arrears on interest payments due the banks.

Some 56 opposition members of the Philippine Parliament yesterday formally sought to impeach President Marcos, charging that he violated the constitution, embezzled wealth and abetted the illegal export of capital.

Yet the group survival instinct in Japanese politics—as in society at large—is very strong. There was, therefore, surprisingly little speculation yesterday that the Komoto faction would go far enough to dislodge with some MP's becoming independents and some joining other factions.

However, with the LDP gearing itself up for next year's likely general election and a subsequent leadership contest, it can be expected that offers will be made to Mr Komoto's supporters from the factions beholden to the main contenders.

Mr Nakasone, Mr Satoru Abe from the Fukuda faction, and Mr Noboru Takeshita and Mr Susumu Nakada from the Tanaka faction.

Alternative leaders do exist within the Komoto faction though none is considered to be ready to challenge for the highest offices in the land. If Mr Komoto does, in time, step down, his most logical successors would include Mr Toshiaki Kaifu, who has served as a Cabinet Minister, and Mr Tokio Yamashita, who is now the Transport Minister and is thus deeply involved in the Sanko collapse.

There is even occasional talk that Mr. Miki himself might return, for all that he is now 78 and nine years out of the Prime Ministership.

## U.S. envoy's Amman visit boosts hopes of progress

By TONY WALKER IN AMMAN AND DAVID LENNON IN TEL AVIV

MR RICHARD MURPHY, the U.S. Assistant Secretary of State for Middle East Affairs, arrived in Jordan yesterday for exploratory talks aimed at paving the way for the first ever direct meeting between U.S. officials and a joint Palestinian-Jordanian delegation.

Problems over a list of Palestinian delegates acceptable to Washington now appear to have been resolved.

Mr Shimon Peres, the Israeli Prime Minister, yesterday received a message from Mr George Shultz, the U.S. Secretary of State, assuring him that U.S. officials would meet the Arab delegation only if it is clear that the meeting would lead to direct negotiations with Israel.

Mr Murphy is understood to be anxious to establish a meeting which would fit into the overall peace process and that some understanding exists between the two sides about what comes next.

Among names being mentioned as possible Palestinian members of the joint delegation are Mr Hanna Seniora, editor of the Al Fajr newspaper in Jerusalem; Mr Nabil Sha'ath, a member of the Palestine National Council, who lives in Cairo; Mr Fayed Abu Rahme, a lawyer from the Gaza Strip; and Mr Mohammed Sabih, also a member of the PNC.

Israel is opposed but resigned to the possibility of a meeting, believing that it will constitute indirect recognition of Israel's right to exist.

Mr Yassir Arafat, chairman of the PLO, who arrived in Amman on Monday evening after the Casablanca summit has not, so far, committed himself to explicit acceptance of resolution 242.

The PLO wants the U.S. to accept it as a negotiating partner and also to accept Palestinian rights to self-determination.

King Hussein, whose February 11 accord with Mr Arafat opened the way for renewed peace efforts, has been talking in private about the need for a direct meeting between King Hussein and Mr Arafat.

The U.S. has reportedly agreed Israel not to oppose the meeting because of fears that such opposition would lead Mr Arafat, the PLO leader, to abandon his pledge, which Washington believes it has obtained, to end terrorism and ultimately to recognise Israel.

This caution was delivered by John Whitehead, U.S. deputy assistant secretary of state, during a visit to Israel last week.

Washington is seeking from the PLO explicit acceptance of United Nations Security Council resolutions 242 and 338, which call for Israel to withdraw from territories occupied in the 1967 war and for recognition of the right of all states in the region to live within secure boundaries—effectively a recognition of Israel's right to exist.

Representatives of the Sri Lankan Government, led by Mr Hector Jayewardene, brother of the Sri Lankan president, opened the talks on Monday with uncompromising statements rejoining a four point charter on territorial rights and freedoms for the minority Tamil community.

Mr Jayewardene also warned that arms would have to be laid down if guerrilla training camps closed.

Extremists rejected those conditions. They said yesterday that they would be willing to hold "national talks" with the island's Government, however.

Indian diplomats, who have helped to get the talks going, fear that the interest in a statement of Mr. Junius Jayewardene, the island's president, may be waning. This probably means the talks will adjourn without a settlement.

BY STEVEN B. BUTLER IN SEOUL

A POLITICAL showdown is

looming in South Korea over the Government's intention to enact a "campus stabilisation law" designed to curb student radicalism.

The political opposition has denounced the proposed law in the harshest terms. The New Korea Democratic Party (NKDP) call the Bill unconstitutional and says it will launch a nationwide "struggle" to defeat it.

The Bill has provoked the most intense confrontation between the Government and the opposition since the NKDP's strong electoral performance in February. Many are predicting that the opposition will attempt to use obstructionist tactics to defeat the legislation, but the Government party controls a majority of seats in the Assembly.

The Bill has provoked the most intense confrontation between the Government and the opposition since the NKDP's strong electoral performance in February. Many are predicting that the opposition will attempt to use obstructionist tactics to defeat the legislation, but the Government party controls a majority of seats in the Assembly.

The law would establish an extra-judicial panel empowered to send leftist students through a "rehabilitation" programme for up to six months. Students who refuse to co-operate might

be referred to the courts.

The Government says the law is designed to give it more flexibility in dealing with leftism on the campuses and that it will help keep students from going through the courts and to jail.

The opposition, however, says the extra-judicial procedure is an infringement of constitutional rights and will lead to direct confrontation between the people and the power holders and plunge the nation into a catastrophic crisis.

The Government has already locked and sealed off University campuses in Seoul in order to prevent students from organising protests against the law.

Opposition assemblymen say they are considering staging a filibuster, or a sit-in in the National Assembly to prevent the government party from taking a vote.

BY ROBERT THOMSON IN PEKING

IN A diplomatically-sensitive case

highlighting the darker side of the Chinese legal system and causing unease among foreign business people here, a U.S. businessman was sentenced yesterday to 18 months jail for allegedly starting a hotel fire in which ten people

died.

&lt;p

## WORLD TRADE NEWS

## Washington begins review of trade policy

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE REAGAN Administration has begun a major review of its trade policy, in response to mounting political and commercial pressures, Mr Bruce Smart, the new Under-Secretary for International Trade at the Commerce Department, said yesterday.

Mr Smart, former chairman of the Continental group of companies, said that the review, which would be completed some time in the autumn, would not lead the Administration to abandon its fundamental belief in free trade based on comparative advantage and equal access to markets.

He suggested, however, that the review and perhaps come for "a change" of tactics and appeared to favour a more aggressive approach to persuading other countries to dismantle unfair trade barriers.

Mr Smart said that some of the trade measures contained in a welter of protectionist legislation currently before Congress could be useful in helping to apply pressure to Japan and other countries although he would not specify which ones.

With Congressional concern mounting over the \$150bn (£97m) trade deficit projected

for this year, and growing unemployment caused by foreign competition, upwards of 200 separate trade Bills are now under consideration on Capitol Hill.

Leading Republicans are becoming increasingly anxious that the Democrats will make trade a major issue in next year's mid-term Congressional elections.

Mr Smart said that one of the main objectives in the coming months will be to answer Congressional and public criticism that the Administration has no real trade policies.

The new "articulation" of the policy could take the form of major speeches by President Ronald Reagan and other leading Administration spokesmen, he said.

Mr Smart promised to use U.S. anti-dumping legislation as vigorously as the law would allow and called for a strengthened international trading system.

There was an "absolute need" for more comprehensive trade system than the current Gatt framework and one which would impose sterner discipline on violators of the trade rules, he said.

## Japanese place \$300m McDonnell-Douglas order

BY NANCY DUNNE IN WASHINGTON

TOA DOMESTIC AIRLINES (TDA) of Japan said yesterday it will order three McDonnell-Douglas-31 twin jetliners and four smaller McDonnell-Douglas-37 aircraft to expand the airline's domestic service.

Along with the options, TDA is taking on four other aircraft and spare parts; the sale carries an estimated value of about \$300m (£214m).

Mr Toshihiko Kubota, president of TDA, said in Washington that the airline, now the 25th largest in the world, plans to extend service to countries outside Japan.

TDA will be purchasing long-range aircraft to serve these routes, and the proposed McDonnell-Douglas advanced wide-cabin tri-jet, the MD-11, is

a prime candidate for the international service.

TDA has been flying the 163-seat MD-81 in Japan since 1981 and currently operates 10 with two more previously ordered to be delivered next year. With the 11 aircraft just announced, TDA will have bought 45 jetliners from McDonnell-Douglas.

Mr James S. McDonnell, vice-president of aerospace marketing, said the new order "is especially welcome at this time, when so much attention is focused on balance-of-trade issues."

He also called TDA's interest in the MD-11 "most welcome," and said McDonnell-Douglas hopes to launch the tri-jet early in 1986 for deliveries to airlines beginning in 1988.

## Yeutter warns Japan against export curbs

BY JUREK MARTIN IN TOKYO

JAPAN should not try to solve its trade imbalance with the U.S. by indulging in export restraints, according to Dr Clayton Yeutter, the new U.S. Trade Representative.

In a speech here towards the end of three days talks with Japanese officials, Dr Yeutter said that the "second bottom line" of the message he had been conveying was that "export restraint is not a substitute for market access."

Asked about the recent surge in Japanese car exports to the U.S. in spite of informal export curbs, he replied that even U.S. car manufacturers "have to learn how to compete."

"Whether they do so in the face of full-scale Japanese competition or something less than that is up to Japan to decide, not Washington." But he would

not advise restraint on Japan. The "first bottom line" he had pressed, he said, was the gospel of free competition. "You (the Japanese) must fully expose your economy to foreign competition, just as we have asked other nations to expose their industries to competition from Japanese firms," he said.

Dr Yeutter emphasised that, contrary to local press reports, he had not come to Japan on his maiden excursion as U.S. Trade Representative to engage in specific bargaining or negotiations, but to get a feel for the political and economic relationship between the two countries.

In his speech, he did refer to two bilateral issues—Japanese restrictions on the use in Japan of U.S. "high cube" transportation containers and the

prohibition on U.S. cigarette companies from setting up manufacturing plants in Japan.

But he adduced these examples, he said, merely to underline the extent to which foreign countries perceived the Japanese internal market as "unfair."

He had high praise for the political leadership being exercised by Mr Yasuhiro Nakasone, the Prime Minister, in the cause of more open Japanese markets.

But he expressed "deep reservations" about the pace of the implementation of the latest import action programme and "concern in respect to what is actually intended in some areas."

Warning that neither the U.S. Administration nor Congress could tolerate bilateral



Dr Clayton Yeutter

## ICI beaten on go-ahead for Indian urea plant

By John Elliott in New Delhi

AN INDIAN businessman resident in London has beaten ICI and major local industrialists for government permission to build and operate a Rs 6.5bn (£410m) gas-based urea fertiliser plant in Northern India.

He is Mr Swraj Paul, a close confidant of Mrs Indira Gandhi, the late Indian Prime Minister. Mr Paul has built up the Caparo Industries group in the UK which last October bought the Fidelity Consumer Electronics group and has a turnover of about £100m.

This will be the biggest single investment in the country by an Indian businessman living abroad since investment rules for non-resident Indians were relaxed three years ago.

The fertiliser plant is one of six to be built on a 1,700m cross-country pipeline to be constructed next year, linking the offshore Bombay High oil and gas field with Northern India.

The other five are being set up by Indian private and public sector companies, including one with a Middle East partner.

Most are using technology from Snamprogetti of Italy. Mr Paul has yet to decide between Snamprogetti and Kellogg of the U.S. which has failed in earlier attempts to win work on the pipeline.

Indian explosives, ICI's Calcutta-based company, wanted to be responsible for the sixth plant after the original promoter, Delhi Cloth Mills, withdrew last year.

But Mr Paul, whose political influence was thought to have waned after the death of Mrs Gandhi, is understood to have won because of the amount of capital he has said he will raise abroad. He has accepted a 3.5-to-1 debt equity ratio, instead of four-to-one agreed for the other plants, and will be putting up 51 per cent of the Rs 1.4bn equity required from his Caparo company in the UK.

He has also said he will try to raise another 24 per cent of the equity from Indians and other interests abroad. This package would put less pressure on scarce equity and bank loan resource in India than the proposal believed to have been put up by ICI.

## WEST INDIANS PRESS FOR QUICKER ACTION

## Caribbean concern at protectionism and subsidies



"THE AMERICANS never knew of this disease before," complains one Jamaican farmer. "It appears that every time their domestic production is up, they discover that our product has come down with a malady of some sort. All they are doing is finding ways of protecting their farmers."

The argument is over Jamaican pumpkins shipped to the U.S. and which U.S. Government agencies recently said could not enter the country because of diseased shipments. Pumpkins are but one, and a small one at that, of non-traditional products which Caribbean countries plan to export to North America and Europe. They need the new products because the traditional legs of their export economies—sugar, bauxite, oil—are doing poorly.

However, like the Jamaican pumpkin farmer, the region is becoming increasingly angry at growing protectionism in the developed countries.

This overriding concern has led most countries in the Caribbean to throw their weight behind other developing countries calling for a new round of negotiations under the General Agreement on Tariffs and Trade (GATT).

The concern has not been mollified by the fact that many of the countries in the region are beneficiaries of special trade arrangements allowed under GATT, such as the Lome Convention.

"We are not saying that shipping and insurance are not important," one Caribbean official conceded. "But we think that they should be discussed in other fora and not under the GATT."

The trade related issue in which the region is interested, and which it wants to have discussed in a new round, is financial and monetary reform.

The U.S. push for talks about services is regarded as being "the new 'new' self serving" ... since it is the developed

countries which control these," said one official.

He denies that the same could be said of the call for monetary reform. "If this is put into effect, and financial arrangements allow an increase in trade, everyone benefits." "For example, export credits will allow us to sell more to North America and Europe, and in doing so we earn more."

At their recent annual summit in Barbados, the heads of government of the Caribbean countries agreed to a modest arrangement to reduce trade subsidies.

Third World countries.

Caribbean exporters of processed food and fruit say they suffer from a range of non-tariff barriers in this region, and said talks on trade should take account of this.

Several regional Governments see the GATT as a standstill and needed little through a new round. This can be achieved, they suggest, through serious attempts to discuss not only the issue of protectionism, but all the outstanding issues from the declaration of Trade Ministers at the end of their meeting in Geneva in November 1982.

A long list follows the general concern at protectionism. The region has been trying to attract new business in sectors which have a high labour content and can generate foreign earnings.

The Caribbean wants to have the Multi-Fibre Arrangement (MFA) and all matters relating to trade in textiles and garment brought under GATT.

"This is likely to be a very difficult one," said a Jamaican Government trade official. "The current MFA will expire in a few months, but although there is pressure for change we are likely to have another MFA before we can expect textiles and garments to be brought under GATT."

Regional trade officials also argue that current approaches to standards and labelling are discriminatory, and work against Caribbean and other

Third World countries.

Caribbean exporters of processed food and fruit say they suffer from a range of non-tariff barriers in this region, and said talks on trade should take account of this.

Caribbean officials are increasingly worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed world, and by the subsidies to which the industrial nations are resorting to protect their vulnerable industries.

Caribbean officials are worried by growing protectionism in the developed

## Channel link may get team advice

THE GOVERNMENT has appointed Schroders, the merchant bank, as its financial adviser in awarding a mandate for the construction and operation of a fixed link across the Channel.

Unexpectedly, the Department of Transport – which has overall responsibility for the fixed link project – has also allowed for the possibility that Chase Manhattan Limited, the merchant bank subsidiary of the U.S. commercial bank, may play a subordinate role to Schroders.

Chase may be asked to assist Schroders in certain aspects of the financing assessments and in particular on the prospects of international marketing of project financing proposals.

Schroders, which has already enjoyed a significant share of the advisory work provided by the City of London for the Government's privatisation programme, is believed to have beaten a strong field of candidates for the main advisory job. Hill-Same, N. M. Rothschild and S. G. Warburg were on the shortlist of four merchant banks interviewed.

Chase Manhattan was one of two U.S. banks which sought an advisory role. It made clear it would be willing to accept a subordinate position to a U.K. adviser. But the scope of Chase's project finance experience, and its potential usefulness as a consultant on international financing proposals, also appear to have influenced government thinking.

Bids for the mandate have been invited for submission before October 31. The Government has indicated that it would like to reach a decision about the project by January 1986 at the latest. Full assessment of the various schemes now under discussion seems likely to be a complex task.

Channel Tunnel Group, Eurotunnel and Eurobridge have announced plans for a tunnel, a combined bridge/tunnel and a suspension bridge, respectively. The Department of Transport, with the co-operation of several other Whitehall departments as well as the Treasury, expects to have to evaluate the proposed schemes under at least twenty major assessment headings. Teams of technical consultants are due to be announced soon.

□ **BRITISH TELECOMS** flotation as a public company attracted one million people who had never bought shares before, the Stock Exchange Quarterly says. The publication's latest issue says last year's Telecom sale boosted the number of private shareholders in Britain from around 1.7 to around 2.7m.

□ **BRITISH GAS** Corporation has appointed Hoare Govett the stockbrokers, as adviser for its forthcoming privatisation. Next year's sale of 100 per cent of the corporation could raise up to £1bn, twice the sum which resulted from the recent sale of less than half of British Telecom.

□ **PIRATE RADIO** stations are being closely watched by a government-chartered ship which has moored in the Thames Estuary. A Department of Trade spokesman said transmissions from floating broadcasters such as Radio Caroline and Laser 555 were potentially dangerous because they could jam emergency radio calls.

□ **BRITAIN** and Albania are having confidential talks on resuming diplomatic ties after a 40-year break, according to a letter from Mrs Margaret Thatcher, the Prime Minister, to a Labour Member of Parliament.

□ **BUILDING SOCIETIES** recorded a better than 50 per cent rise in deposits to £550m for the month of July, according to a letter from Mrs Margaret Thatcher, the Prime Minister, to a Labour Member of Parliament.

□ **BUILDING SOCIETIES** recorded a better than 50 per cent rise in deposits to £550m for the month of July, according to a letter from Mrs Margaret Thatcher, the Prime Minister, to a Labour Member of Parliament.

□ **DENTISTS** should advertise their services, the head of the Office of Fair Trading (OFT), the body which monitors professional practices, said yesterday. Sir Gordon Borrie, Director-General of Fair Trading, said dentists should lift their own bar on advertising so that the public knew the prices and range of services available.

## Dismissal threat may escalate railway dispute

BY BRIAN GROOM, LABOUR STAFF

THE THREAT of widespread rail disruption in Britain came closer last night after the British Railways Board threatened to sack 270 guards involved in the dispute over plans for driver-only trains.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to dismiss workers during the last major bout of industrial action in 1982, but the threat was never implemented.

Mr Paletta said the board had taken its step after confirmation that the NUR executive had issued instructions that guards on strike were to be paid £1.70 a day from mid-night on Friday and followed main instructions.

Mr Jimmy Knapp, general secretary of the National Union of Railways (NUR) said: "This is an aggressive action by British Rail. It brings the chance of a national strike nearer."

The NUR plans to hold a national ballot of more than 10,000 guards on August 29 on strike action over BR's implementation of driver-only working without agreement.

Mr Knapp would not be drawn on what might happen if sackings went ahead before the ballot. He said it would make an already volatile situation totally unpredictable.

The board's threat forces the pace of the dispute. The management, the union and the Government all expect this to turn into a long-awaited confrontation over productivity on the railways.

There has been mounting disruption around the country since BR resumed and began extending trials of driver-only operation from July 8. Mr John Paletta, managing director for personnel, said the board hoped not to have to take similar action against other railmen, but would do so if necessary.

Sackings in this situation would be unprecedented. The board threatened to





## TECHNOLOGY

## Tidal power begins to flow

Alistair Guild  
looks at a simple means of harnessing tidal energy which is about to be tested on a Scottish island

THE BLEAK and barren Hebridean Islands off the west coast of Scotland may seem a million miles away from the lush tropical rivers of Asia, Africa and South America. However, a tidal power device, due to start trials at Spanish on North Uist next month, could have considerable potential for developing countries.

The 35-metre wide barrage device will be positioned across the entrance to Loch Howran where it empties into the sea, and will provide power for a nearby hospital. Rated at 270 kW, it has been designed to capture the energy in the three-metre head of water which builds up across the Spanish narrows.

It is costing £420,000 to install, thought to be comparable to the cost of laying an submarine cable to supply a Hebridean island, but once in place, its running costs are minimal.

The device was developed at Salford University and is known as a Salford Transverse Oscillator (STO).

According to Dr Ross Wilson, director of research at James Howden in Glasgow, which is building and marketing the device and managing the prototype installation on North Uist, the significance of the STO is its potential for economic generation of power from ultra-low-head water flows in rivers, canals or tidal estuaries.

The majority of hydroelectric schemes in operation today have large installed capacities and generate electricity from high heads and relatively small flows," he says. "Whilst there are still many undeveloped high-head sites throughout the world, particularly in Asia, Africa and South America, their development requires major capital expenditure and the sites are often remote from the main centres of population, necessitating long transmission lines.

Focus is turning, therefore, to the exploitation of low-head, small-flow sites having a nearby demand for power. The problem with low-head hydropower is cost. To produce worthwhile power from low heads requires large water flows. Large flows demand large turbines. As the head is reduced, so there comes a point at which it is uneconomic to exploit the resource.

The STO, originally conceived at Salford University Department of Civil Engineering is one approach using simpler and less costly technology. It is designed to operate on heads between 0.5 and 3 metres and with outputs from 50 kW up to several megawatts.

Spanish was chosen from 56 sites in Scotland thought suitable for the STO. The installed capacity of these sites ranged from 250 kW to 7.4 MW. Together the 56 sites could produce as much electricity as a small power station.

The final choice of site was between Spanish and Callanish on Lewis. Spanish was chosen because the hospital which will take the power was nearby and because the opening to Loch

maddy on Lewis was much also be used directly to drive hydraulic machinery or to produce heat by having forced through restricting valves and a heat exchange unit.

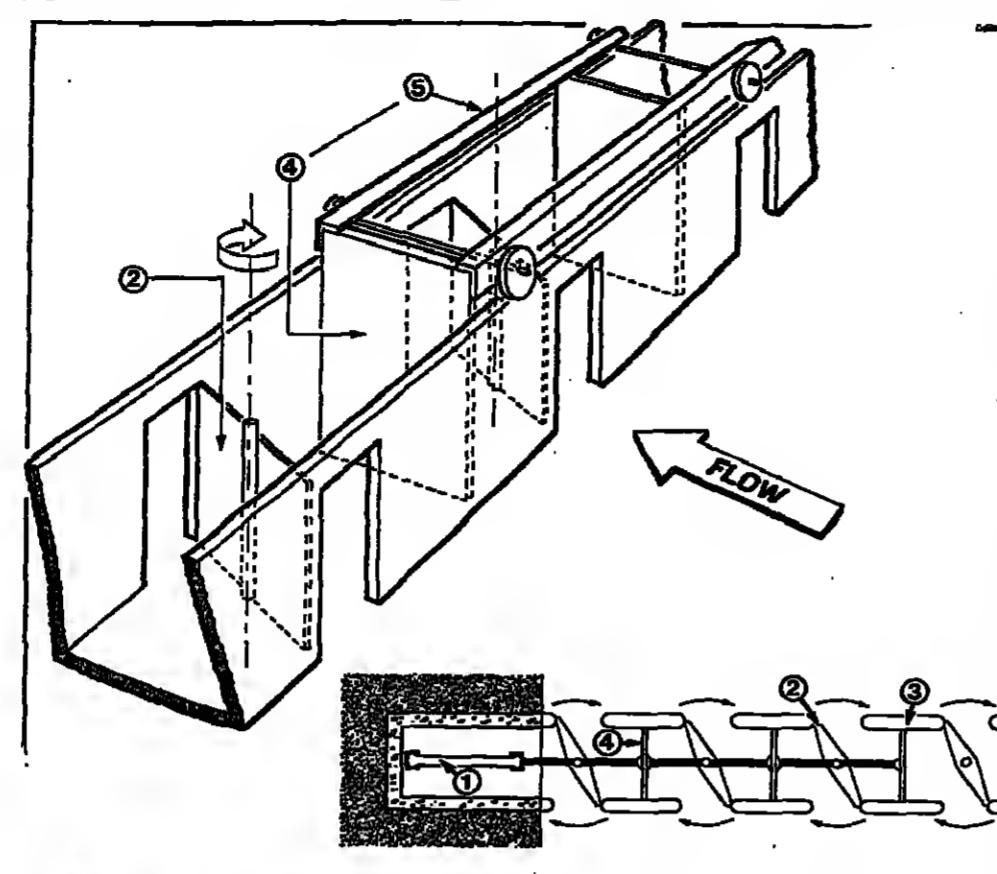
During slack tides, the barrage will produce very little power. At other times it should meet the hospital's entire requirements.

"Though the prototype will be operating on a tidal site, it could equally well operate on a river," says Dr Wilson. "In these locations which are expected to offer greatest potential in developing countries.

The gates are opened, directing the flow of water into the cells. Paddles placed in the cells are then propelled along the cell by the force of the water flow. When the paddle reaches the end of the cell the gates are swivelled, reversing the flow of water, and propelling the paddle back to the other end of the cell. The process is then repeated.

A rod linking the paddles is connected to a hydraulic ram which pumps pressurised hydraulic oil. A small proportion of the oil is bled off from the main hydraulic circuit to drive the gates, making the STO self-powered.

The remainder is passed to hydraulic motors linked to electric generators. The oil can



1 POWER TAKE-OFF CYLINDER  
2 GATE  
3 BARRAGE WALLS

4 PADDLE  
5 CARRIAGE  
(Both linked to power take-off Mechanism)

## Chance method of computing a precise profit

A SOPHISTICATED mathematical method of estimating profits on commercial property has emerged from the lecture theatre into the real world of rents-per-square-foot and building costs, thanks to the micro-computer.

"It is simply using the computer as it should be used," says Mr. Robert Greenly of Greenly's Holdings, whose computerised method for estimating residual values is used by big names like Jones, Lamson, Wootton and Saville.

This is a very important figure for commercial agents and property companies because it tells them how much they should pay for a bare site or one in need of development.

Now Mr Greenly has added to this program a way of estimating the profit or loss to be made from a particular development. The technique is called the Monte Carlo Method because it depends to a high degree on pure chance. It is much used by mathematicians for probability calculations, but is very new in the down to earth business of commercial property valuations.

Essentially it depends on the experience of the agent or developer to set best and worst values for all the parameters which go into the residual value and development calculations—building costs per sq ft, gross area, net area, estimated rental value, the yield and so on.

Rent per square foot in London, for example, might vary between £20 and £40. A difference of only a fraction of a per cent in the yield can affect dramatically a developer's profit.

Once all the estimates have been fed into the computer, Mr Greenly's program runs through the overall calculation some 250 times, using at random the estimated values.

The computer then produces a range of profit and losses which can be classed into a schedule. Mr Greenly says to show whether a particular property development is low, medium or high risk. The surveyor is therefore able to assess more accurately the risk of a particular property development.

Greenly's sells the residual valuation package complete with the Monte Carlo program for £975 plus VAT.



The Hong Kong bank building: Lessons learned in management of complex projects

Complete protection from corrosion and moisture damage  
SEET  
John S. Bass and Co. Ltd.  
061-834 3071  
Telex 666736



John Ashford: New altitudes needed

## Building greater reliability into modern construction

Better management methods are needed to prevent modern buildings failing down, reports Jane Rippeteau

the exterior walls "have to withstand huge temperature differentials, and if you don't design for that, the wall will fail."

In a paper on this subject, Dr Thornton, cites the case of a sizeable steel-framed arena roofed with aluminium, which can expand about three times as much as steel when warmed.

Unfortunately, connections suggested by the supplier did not allow for expansion or contraction; an engineer had not been consulted. Dr Thornton recalls: "Every morning when the sun came up, the community woke up to what sounded like a combination of Rice Krispies and tin foil."

A sensitive welding job on one of the world's most sophisticated projects, now under way in Hong Kong, also helps illustrate the degree of skill that can be required.

The steel frame for the new headquarters of the Hong Kong and Shanghai Banking Corporation was prefabricated in huge chunks—cross-shaped pieces of tubular steel members—and then shipped to the site. There, they were hoisted into place and welded together. This assembly job required highly skilled workers, says Mr.

That attitude is meant to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced. Earlier this year, the American Society of Civil Engineers held a workshop on quality assurance, when participants called for the review of one engineer's work by another for major projects. Some localities, including the city of Boston, already require this peer reviews.

The engineers were also unhappy with an industry practice involving modifications to drawings made after they have left the office of the design engineer. Such changes might involve making a detail easier to do on site and might be considered minor. Yet just such a change was blamed in the Hyatt Regency disaster.

The Manchester branch of SULZER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division. The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire. Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced. This year, the American Society of Civil Engineers held a workshop on quality assurance, when participants called for the review of one engineer's work by another for major projects. Some localities, including the city of Boston, already require this peer reviews.

The engineers were also unhappy with an industry practice involving modifications to drawings made after they have left the office of the design engineer. Such changes might involve making a detail easier to do on site and might be considered minor. Yet just such a change was blamed in the Hyatt Regency disaster.

In the Hong Kong bank project, this attitude had to stretch back to suppliers because all major components of the building were fabricated off-site.

It was critical that everything met exacting dimensions in manufacture so that it would all fit together on site.

The bank project is unique in many ways. Certainly, it is one of the most unusual new-comers to the international structural scene. But many of those involved believe that lessons learned there in the management of complex projects can be transferred to other buildings.

"We're moving from what used to be a craft-based industry into a completely different one," says Mr. Ashford. "A construction site is tending to become like an assembly plant," explains Mr. Ashford of Wimpey. "It used to be that buildings had very thick walls and no artificial heating or cooling. Now you have very thin walls and buildings are heated in winter and cooled in summer." As a result, he says,

that there is nothing to reject.

## CONTRACTS

### Australian refinery upgrade

A \$50m (£25.9m) upgrading of BP Australia's Kwinana Refinery, south of Perth, will be engineered and designed by Stone and Webster Australia Corporation and Davy McKee Partnership. The 18-month contract gets under way this month.

The biggest refinery in Western Australia, the 100,000 barrel a day 30-year-old Kwinana plant is being modified to make it more cost competitive. Specifically, the catalytic-cracking unit will be modernised to produce gasoline from a wider range of heavier and less volatile residual feedstocks.

The new cracking unit will feature Stone and Webster's FCC process.

Stone and Webster will provide project management, engineering and offshore procurement services, while Davy McKee will provide

engineering and onshore procurement and construction management services.

BUTTERLEY ENGINEERING, a member of the Norcross Group, has won its longest ever single order—for two kilometres (1.2 miles) of viaducts and bridges on what is believed to be one of London's largest current civil engineering projects, the London Docklands regeneration. The order is worth £1.7m and involves manufacturing six viaducts and three bridges. Temperature, another member of the engineering division, has won a contract from GEC Transportation Projects for heating units to be used in the 30-metre long twin 2.5-metre wide sections of the construction division. It gained a £373,000 order for railway sleepers for the London Docklands light railway project.

The Balfour Beatty Group has won a batch of orders totalling over £1m. The Transportation and Development Department of the GLC has awarded Balfour Beatty a £4.1m contract for the 1.2 km long Hayes by-pass on the A312. Work includes flexible carriageway construction, three subways, an interchange at ground level, footways, cycleways and associated works. The contract period is 18 months.

A £1.27m contract for the A49 phase 1 twin road division has been placed with the company by Warrington Borough Council for completion in 18 months. Work includes 300 metres of carriageway and a bridge across the River Mersey in composite construction.

C & A has awarded a £500,000 management contract for modernising its department store in Sauchiehall Street, Glasgow. The 35 week contract involves upgrading six floors of the existing store in phased operations to suit the client's engineering requirements.

Balfour Beatty Building has been awarded a £4.9m contract by Eagle Star Properties for the design and construction by September 1986 of four indu-

trial warehouse units with associated two-storey offices totalling 145,000 sq ft.

Whitely Moran and Co has won awards at Cumbernauld and Battersby. In Cumbernauld, the Development Corporation has awarded Whitely Moran an £850,000 contract for completion of 200 residential units and painting concrete structures in Devon Way and Tummel Walk utilising acrylic mortars and a protective coating. At Battersby a £100,000 plus sub-contract has been placed by R. Mansell for structural repairs to seven blocks of flats. Work involves the use of an acrylic mortar system to repair concrete balconies and supporting beams. Balfour Beatty is a member of the BICC Group.

FARCLOUCH BUILDING is working on phase four of the refurbishment programme at the King Edward Building, King Edward Street, ECI, a contract worth over £5m to the company's Sulzler-based southwards division.

Being undertaken for The Post Office, part of the alterations

include the re-furbishment of

the main entrance, the

air handling units and

the plant room.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Manchester branch of

the Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract is to install an air conditioning system for a special tablets manufacturing facility at Macclesfield in Cheshire.

Eleven air handling units will be used to stretch from the person drawing the design to the one putting the work in place. And it is meant to clarify who is responsible for what, so that problems can be traced.

The Sulzler branch of

SULZLER BROS (UK) has received orders for environmental engineering work for ICI pharmaceutical division.

The main contract

## THE ARTS

Television/Godfrey Hodgson

## Saintly compassion in a brutish world



Tricia Brady with her disabled husband, Frank

This week ITN's *News at Ten* is doing four reports on the hospice movement. The occasion for this welcome departure from ITN's usual rather stereotyped interpretation of news is an "embargoed event" on Thursday which I couldn't be told about. So there is a news peg, but at the end of the series, rather than at the beginning.

The first report, at nine minutes exceptionally long for *News at Ten*, showed the Duchess of Kent working with children at Helen House, the hospice for terminally sick children in Oxford. My first grudging reaction was that it was just like ITN and its obsession with royalty to devote almost all of the report to the Duchess, and none of it to Mother Frances, the remarkable woman who saw the need for such an institution and created it. That reaction, I suspect, is unfair, because I can quite believe that it was Mother Frances herself who insisted on remaining in the background. It is also inappropriate for another reason. The Duchess's commitment to Helen House, the humanity and sincere emotion with which she talks to and plays with the children, are so transparent that she fits in naturally.

That is intended to be the highest praise. People only meet Helen House when life is at its most cruel. Either they are children with only weeks to live, children like the angelic little boy who said: "I know I'm going to die, and I'm not afraid, but I do hope I'm not around when it happens." Or they are parents, asking themselves, in Housman's words, "what brute or blackguard made the world?" Where children die before life has even begun, it is plain that the Duchess of Kent in her own life has seen the world's cruel side, and that she has decided to devote a lot of her time to helping the children at Helen House.

The four reports have been put together in a workmanlike fashion by Martyn Lewis. The hospice movement deserves that it is wrong for people to be obliged to spend their last days in the terminal wards of general hospitals. Hospices provide a more caring environment for what doctors call "terminal patients, and we might as well call the dying. It also wants to take what is unfortunately called a "total package" into the home of dying people, so that they do not even need to go to hospital if they don't want to. In that way they can be helped to die with more privacy and dignity, and their living family can be helped to confront herculean tasks.

The whole movement strikes me as admirable, practical, compassionate and dedicated to reversing the cruel custom imported from the US, of putting people who would be better off

at home into hospitals.

The only question concerns resources. For the time being it is largely voluntary movement, but there must be a question of whether resources can ever be provided to cover the entire population; and we do all die.

The same question was raised by the second of Yorkshire Television's harrowing Monday evening series of documentaries about the Welfare State and what it has become. If the Duchess of Kent struck me as a woman of great sensitivity and compassion, Tricia Brady, in John Willis' documentary, struck me as a saint.

Mrs Brady's husband, Frank, a manager, was struck down by multiple sclerosis at the age of 24. Fifteen years later he is virtually helpless, and in the documentary we saw Mrs Brady washing him, turning him, medicating his bedsores and feeding him, a task which sometimes takes six hours.

She does all this with great sweetness and courage, and an unremitting gallows humor. "When feeding him spinach, she murmured, "You know who eats spinach? Popeye. I hope it has the same effect." She has the same effect on you. It has on him."

Tricia Brady praises her husband's courage. "He would crawl rather than be immobile." Her own courage is beyond praise. When her neighbours

clashed together—anonimously, for this is Tyneside—and paid for a professional nurse to help her for a few hours a week, she said: "She really loves Frank, and probably gives him better care than I can."

"Perhaps I'm keeping him alive for my own reasons," she said, with a terrible lucidity.

"It's like tending a shrine. I'm doing it for the sake of what we shared in the past." Yet this gentle woman, with her angelic smile and self-protective laughter, has found the time, as well as tending a shrine of love, to campaign effectively and tenaciously on behalf of other people in her situation. She points out to keep her husband in an institution would cost £400 a week, perhaps more. There are 1.5m careers."

Mostly women and they get hard, heavy work which, without exaggeration, goes on 365 days a year, and often 24 hours a day.

As John Willis' other documentaries show, this is hardly the most propitious moment to propose creating another whole category of paid workers in the social services, another item in a budget that is already stretched to fraying.

The first film in Willis' series, *Home Sweet Home*, looked at the iniquitous system that has cooped up thousands of families—4,000 in London alone—in bed and breakfast hotels, at outrageous cost to the

councils concerned, for the ludicrous reasons that the Government's rate-capping policies mean that councils cannot spend money on capital account to build new accommodation, but can pay \$100 a week and more for poky, often unhealthy and dangerous rooms because that is on current account. Out of the impecuniousness of local government and the misery of some of the most vulnerable people in society—we saw a woman going straight out of hospital after having her second child to bring up two babies on supplementary benefit, without a father, in one small room—great fortunes are being made.

Yorkshire's film named guilty men and women—some Indian, one Greek, most of them true blue English. Indeed, the entrepreneurial spirit is not dead. From a back-street hotel it is possible to make half a million pounds a year. On that cash flow, it is easy to buy a dozen hotels, and rent rooms in them to tourists for £100, £200, £250 a week. Sounding the same room—supreme stroke of cost effectiveness—is let to two different councils.

Worst of all was the case of the "respectable," indeed politically well-connected, businessman in Newcastle who, according to the film's entirely persuasive witnesses, not only exploits the young unemployed women in his hotel, but leaves their rooms without locks so that they are available to accommodate him sexually on

demend as well.

This is the world of Bleak House and of A Child of the Jago. John Willis' film-making style is the more effective for being unobtrusive, almost unemphatic. "Look," he seems to be saying, "there is pain out there, and poverty, and anger, and also exploitation. Some of the people who are driving around in Jaguars are not definable, and some of the people who live off supplement benefit are careful, conscientious, even well-organised. But don't ask me what care he does about it."

Living on the Line, which was transmitted this week, started with an image of unemployed boys on Merseyside fighting for scraps from the council tip. It then looked with more subtlety at three people. One was a conscientious, unemployed father of three, who queues up every day to buy yesterday's bread half-prices, to one of the most successful entrepreneurs in Bradford, which was once one of the richest cities in Europe. Another was a middle class girl of 18 from South London trying to bring up an illegitimate baby in an unheated tower block flat. There were unanswered questions there about other people's responsibilities: the father, and the girl's family.

And then the letter comes, offering him three years at drama school. He whoops round the house with understandable joy. But does he realise that his good news is condemning his mother and father to separate institutions?

I admire John Willis' films, and find them moving. But they make me uneasy. I keep coming back to the white working class girl who kept repeating that all she wanted was a flat, it was her right; and to the black social worker who kept telling her, to her greater anger, that that was what they all wanted. £300 of them every day.

I suspect that Willis thinks his films are political, and that they may contribute a powerful plea for social policies that will make this a land where, if you want to have a hobby, or become an actor, or move into a nice flat, when you haven't got money, it's your right.

But we couldn't afford that when we tried it before, and can afford it even less now. Socialism, Aneurin Bevan said, is about priorities. So is any social policy, whatever political label you give it. There are so many deserving causes, so few resources to go around.

Michael Clark/Edinburgh Festival

## Clement Crisp

As a first dance offering, the Edinburgh Festival proposes Michael Clark and his dancers in a new work called, aptly enough, *our each phoney*.

For those who know Mr Clark's previous creations the title is indication enough that this is to be the mixture as before. Only more so. For those who have yet to sit through an evening of the new brutalism, it is hard to make any coherent sense of the parade of hamartian, high-octane vulgarity and cross-dressing which is the Clark message to the dance world.

The effect is of a young man burling what he supposes are grenades of rudery, of verbal and choreographic obscenity, at a complacent world. As a manifestation of the present punk revolt among the young, the evening has a slight, if weird, interest. But as a display of organised dance material this is also a frantic and ill-directed energy.

Another work by Clark still seems a naughty boy adding to get some reaction from his public by pop noise and sexual bombast that combines

porn line, harmony of placing — before he deforms it with the brutalisms which so tediously ensue.

Of theme, development, I could find no trace. There are references to religion (and an odd hint of the black mass), and to various forms of sexual congress. The dances hang and clatter about the stage. Mr Clark makes some inaudible speeches; various naughty words surface through the din; the roar of the rock score is for addicts only. The last section (the piece is in two parts) goods the cast into an apotheosis of strutting and espers, in which they are joined by two groping from the audience, decked out in a variety of skin-decking themselves on stage.

The abiding impression is of a young dancer in quest of his creative voice through wilder and more blatant extravagances. But with no controlling sense of form, or any aesthetic resources beyond vulgarity. Michael Clark remains no more than a hooligan. As a true dance anarchist, as King Ubu of post-modernism, he has a long way to go.

## L'Etoile/Edinburgh Festival

## Max Loppert

One of the most joyous events of 1984 was the rediscovery of Chabrier's operetta *L'Etoile* at the Opéra de Lyon, in a production subsequently taken to Paris and also recorded by EMI.

A year later, the Lyon company under its chief conductor John Eliot Gardiner makes at Edinburgh a first British appearance, performing Chabrier in tandem with *Pelléas et Mélisande* in the first week of the festival.

As seen and heard on Monday at the King's Theatre, the operetta proved to be one of the most captivating things to be given here for years; it must surely come to count as the operatic triumph of this year's French accents Edinburgh schedule.

I recouped on this page the pleasures of the piece when the production, by the Lyon artistic director Louis Erlé and Alain Maratrat, came to the Opéra Comique last October. But I cannot resist going over them once more, even if only briefly, because the Lyon performance, in far better trim than the Paris première, and conducted and played with magical deftness of rhythm, conspires to display them all in the best possible light.

It is an exquisitely fashioned score—not a dull bar, not a dead instrumental line, a sense of vocal usage that supplies comic and sensuous effect at the same moment. The sheer quirkiness and profusion of Chabrier's imagination enthrals: be it a sparkle and a speed of delivery (aided by happy a-takings of English spoken dialogue) that English operetta almost never seems to acquire.

It is not a dull bar, but a dead instrumental line, a sense of vocal usage that supplies comic and sensuous effect at the same moment.

The sheer quirkiness and profusion of Chabrier's imagination enthrals: be it a sparkle and a speed of delivery (aided by happy a-takings of English spoken dialogue) that English operetta almost never seems to acquire.

It is an exquisitely fashioned score—not a dull bar, not a dead instrumental line, a sense of vocal usage that supplies comic and sensuous effect at the same moment.

The sheer quirkiness and profusion of Chabrier's imagination enthrals: be it a sparkle and a speed of delivery (aided by happy a-takings of English spoken dialogue) that English operetta almost never seems to acquire.

those, a tender warmth of heart that is felt at all times beneath the high-spirited nonsense. Though long loved by famous admirers, it has taken a long time for this work to come into its own. With this Lyon urging, that has surely happened at last.

Only summary praise for the cast, almost all familiar from either the records or the Paris showing. Of the leading travesty role of the pedlar Lazuli, Colette Alliot-Lugat gives an extraordinarily distinguished account, a madcap, delicate, strangely and deeply touching Georges Gautier (a charmer of a light tenor) and Jules Bastin (in his most splendidly rotund form) are the court drolls; the heroine, Ghylaine Raphaël, has one of the purest and most finely produced light lyric soprano to come out of France in recent times. All the singers should ideally be mentioned: it is that kind of ensemble performance. One hopes there is some way Lyon's *L'Etoile* can be brought to London to share its delights with the metropolis. Meanwhile, two more Edinburgh performances, this week, of the jolliest show in town.

## The Daughter-in-Law/Hampstead

## B. A. Young

D. H. Lawrence's theme in his sensitive and original play *The Daughter-in-Law* is one that is familiar from other of his works—the dominance of the mother in the family. Mrs Gascoigne (pronounced Gaskin) has had six sons but she is unwilling to let the youngest, two, Luther and Joe, out of the maternal cage. It is inevitable that she will resent Luther's wife, Minnie; but the situation is complicated by Luther having got another girl into trouble. The Army stands by to prevent them doing so. Out of these ingredients, Lawrence has made a moving play with some memorable scenes. The climax comes in the third of four short acts, when Minnie challenges Mrs Gascoigne for the way in which she has spoiled her sons; and to his mother's surprise and despair, Joe agrees with her. The maternal hold is loosened; and in the next act, when Luther is missing all night on picket duty and there has been fighting, it is Mrs Gascoigne who comes to Minnie to help, not so much indignant about her daughter's pregnancy as anxious to have it settled.

The action takes place in a

Nottinghamshire mining-district

in about 1912, where respectability is taken seriously but regarded as easy to arrange. It is decided that if the girl says that the baby came from a peripatetic electrician, and she is paid £40, the matter will be settled. But where is the £40 to come from? Well, Luther's wife Minnie, who has been in ser-

vice and collected both artistic tastes and £120 savings, should be able to cope; but Minnie has more sense, and after a row she goes off to Manchester, buys a ring and some prints, and leaves herself with 17 shillings. "Now you've got to keep me," she tells Luther, who for most of his life has been kept by his mother.

As if this weren't enough, that she will resent Luther's wife, Minnie; but the situation is complicated by Luther having got another girl into trouble. The Army stands by to prevent them doing so. Out of these ingredients, Lawrence has made a moving play with some memorable scenes. The climax comes in the third of four short acts, when Minnie challenges Mrs Gascoigne for the way in which she has spoiled her sons; and to his mother's surprise and despair, Joe agrees with her. The maternal hold is loosened; and in the next act, when Luther is missing all night on picket duty and there has been fighting, it is Mrs Gascoigne who comes to Minnie to help, not so much indignant about her daughter's pregnancy as anxious to have it settled.

The action takes place in a

Nottinghamshire mining-district

in about 1912, where respectability is taken seriously but regarded as easy to arrange. It is decided that if the girl says that the baby came from a peripatetic electrician, and she is paid £40, the matter will be settled. But where is the £40 to come from? Well, Luther's wife Minnie, who has been in ser-

vice and collected both artistic tastes and £120 savings, should be able to cope; but Minnie has more sense, and after a row she goes off to Manchester, buys a ring and some prints, and leaves herself with 17 shillings. "Now you've got to keep me," she tells Luther, who for most of his life has been kept by his mother.

As if this weren't enough, that she will resent Luther's wife, Minnie; but the situation is complicated by Luther having got another girl into trouble. The Army stands by to prevent them doing so. Out of these ingredients, Lawrence has made a moving play with some memorable scenes. The climax comes in the third of four short acts, when Minnie challenges Mrs Gascoigne for the way in which she has spoiled her sons; and to his mother's surprise and despair, Joe agrees with her. The maternal hold is loosened; and in the next act, when Luther is missing all night on picket duty and there has been fighting, it is Mrs Gascoigne who comes to Minnie to help, not so much indignant about her daughter's pregnancy as anxious to have it settled.

The action takes place in a

Nottinghamshire mining-district

in about 1912, where respectability is taken seriously but regarded as easy to arrange. It is decided that if the girl says that the baby came from a peripatetic electrician, and she is paid £40, the matter will be settled. But where is the £40 to come from? Well, Luther's wife Minnie, who has been in ser-

August 9-15

*Madame Butterfly* (Majestic): An immediate celebration of the day of Broadway in the 1940s, a musical version from the original film *Madame Butterfly* Off To Buffalo with the appropriately brash and leggy hooking by a large chorus line. (777 9020).

*Breakfast at Tiffany's* (46th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awkwardly in love with his cousin. (221 2211).

*Dreamgirls* (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, à la Supremes, without the quality of their music. (239 2200).

*La Cage aux Folles* (Palace): With Harvey Fierstein's touching and funny recollections as a drag queen and the best histrionic Sarah Bernhardt role on Broadway today. (944 2450).

*Torch Song Trilogy* (Helen Hayes): Harvey Fierstein's touching and funny recollections as a drag queen and the best histrionic Sarah Bernhardt role on Broadway today. (944 2450).

*Count of Monte Cristo* (Eisenhower): The second production of Peter Sellars' new American National Theatre company is the James O'Neill version of this swashbuckler. (254 3870).

## WASHINGTON

*James and Cheryl Campbell* at the Hampstead Theatre



Alastair Muir

## Arts Guide

## Theatre

## NETHERLANDS

Amsterdam. *Stadschouwburg*. Yukio Ninagawa's Samurai version of Macbeth, with Mikiriro Hirai as title role, and Kuniaki Kurihara as Lady Macbeth. (242 211).

LONDON

*Sweet Bird of Youth* (Haymarket): Lauren Bacall elegantly decadent as Tennessee Williams' doomed movie and queen. Harold Pinter's direction and Elieen Doherty's evocative design contradict the play's lapsed reputation and place the central tussle between the star and her gigolo (Michael Beck) against a detailed canvas of small town Southern venality. (336 8832).

*Starlight Express* (Apollo Victoria): Andrew Lloyd Webber's rollercoaster musical has 10 minutes of Spielbergian magic, an exciting first half and a jaw-dropping reliance on indiscriminate rushing around. Disney, Star Wars and Cars are all within reach. Pastiche seems nodes to the music rock, country and hot gospel. No third act is a key factor. (336 8834).

## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY  
Telegrams: Finantimo, London PS4. Telex: 8954871  
Telephone: 01-248 8000

Wednesday August 14 1985

## TUC cry from the wilderness

THE Charter for Change is self-contradictory. As is rather traditional, the TUC is concerned both with low pay and to defend its members. It is concerned to restore public sector relativities, to ensure a decent annual increase is real "pay" for all, and yet dwells on the loss of real national income from oil.

The analytic quality is a sorry come-down from the standards that Transport House used to set in its economic reviews; figures of course, are used so selectively as to revive the old chestnut about lies, damn lies and statistics.

The policies recommended mix some rather good and some downright awful ideas, with a strong overtone of nostalgia for the brave days of the 1960s and the ideas which flourished then. Most depressing is its insularity—despite a discussion of international trade union views. The TUC seems to have lost sight of how modern society is developing.

Good propaganda has its uses, of course, and the drafters have some effective knockabout fun at the expense of the Government and its missed monetary targets and over-optimistic forecasts.

Most of the criticisms have been heard before, but are borrowed from respectable sources—the CBI, Lord Weinstock, and, it may be suspected, from our own columns. The characterisation of the Government's vacuous "White Paper on employment as an admission of defeatism" is strewed, and will no doubt be taken up by Opposition speakers of all parties.

### Projections

The central policy recommendations are a mixed bunch, but at their best where they are least original. The TUC's ideas on inflation, as might be expected, have been scaled down to match the relative moderation of Messrs Hattersley and Kinnock, and are indeed illustrated from the Chancellor's own recent projections of future scope for fiscal adjustment.

The stress on the development of human capital and industrial research is welcome—and might indeed get a sympathetic bearing from Mrs Thatcher. Good communications be re-stated.

The TUC is also right to stress the problems that declining oil production will pose, and echoes the CBI on competitiveness.

At this rather early point, however, we begin to run out of compliments. Trade unions are centrally concerned with pay, but the discussion here is very thin, and still manages to

## France's summer troubles

THE MONTH of August which French people, perhaps more than any other, look upon as a sacred period of rest and recreation has turned out to be an unwelcome time of activity and frustration for President Mitterrand and his Government.

Many of the President's foreign chickens have chosen this, of all times, to come home to roost, requiring even an extraordinary session of the National Assembly and the postponement of an important visit to Japan by the Defence Minister, M Charles Hernu.

Some of the problems that have arisen are entirely of the French Government's own making, such as the second thoughts it seems to be having about participation in the European Fighter Aircraft project, on which an agreement was reached early this month by Britain, West Germany and Italy.

Things will doubtless become clearer after the meeting between M Mitterrand and Herr Helmut Kohl, the West German Chancellor, later this month. The assumption must be, however, that Bonn will not back out of its agreement with London and Rome at this late stage, even for the sake of the battered Franco-German alliance.

M Mitterrand, for his part, will not want to strain that special relationship to breaking point, when he is facing even more intractable problems elsewhere.

### Referendum

Those problems are situated mainly in the South Pacific, where the Government's successive proposals for the political future of the French island of New Caledonia, have run into the often violent opposition of the white settlers, as well as being rejected by the Gaullist and Centrist opposition parties at home.

The procedure adopted by the Socialist French Government for the eventual granting of independence to the South Pacific territory, in line with the basic demands of the indigenous Melanesian, or Kanak

"WHAT a development opportunity," sighs Mr Jon Poulds as he gazes from his South Bank office window over the vast expanse of grimy glass covering London's Waterloo Station below.

A typical reaction, perhaps, from the man who runs Investors in Industry (or 3i as it now prefers to be called). Britain's largest venture capital company with a balance sheet of £1.7m. But if Mr Poulds spends his time on the look-out for what he calls "the hidden entrepreneurs" who need a hand to get their business ideas moving, he is also now a man concerned with his own company's future.

For more than six months, 3i's owners—the big UK clearing banks and the Bank of England—have been considering whether to sell the company, and if so, how. The move was prompted by Midland Bank which needed to realise capital to help it through the losses it sustained from Crocker Bank, its California subsidiary. But other clearers are also receptive to the idea.

"Capital is a scarce commodity," Sir Timothy Bannister, chairman of Barclays Bank, said earlier this month when discussing his own bank's attitude to the sale. "That makes us much more concerned about capital that is locked up." Other clearers have commented that 3i is increasingly competing with its own growing venture capital business, and this could be a reason to sell out.

But the lengthy deliberations—and the secrecy in which they are shrouded—demonstrates how the sale of 3i is a much more complex matter than just dumping it on the market to the highest bidder. The task is so complex that merchant bankers Morgan Grenfell were called in to analyse the options.

3i is a special, if not unique, institution considered by all to be a Good Thing, not to be damaged through sale. This view is being argued chiefly by 3i's only non-commercial shareholder, the Bank of England, and by 3i's management itself, though the banks are clearly sympathetic to it too.

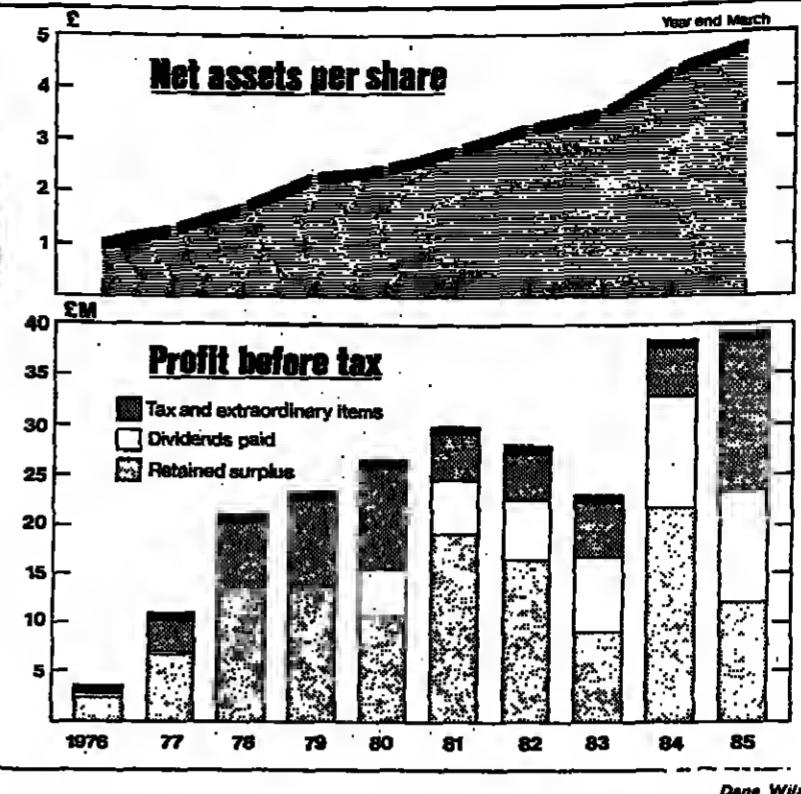
"It is absolutely essential that our ability to continue to take a long-term view of investment is preserved, together with our high standing in financial markets which enables us to raise all the money we need at the lowest rates," Lord Caldecote, the chairman of 3i, says in its recently released 1984 annual report.

3i—or rather its predecessors (the ICFC and the FCI (see panel)—was formed 40 years ago to provide the riskier types of long-term finance for British business. The clearers and the Bank of England were brought in as owners out of what Mr Robin Leigh-Pemberton, the present Governor of the Bank, calls "their national duty." For two or three decades, it was virtually the sole source of venture capital in the UK.

In the last 10 years or so, the other banks and other financial institutions have begun to develop their own



By David Lascelles, Banking Correspondent



concerned. Its success in this period was achieved with only two calls on the shareholders, for a total of £4m.

Were 3i to be stripped of its protective ownership and floated on the stock market, the worry is that its new shareholders would demand rising profits and dividends. This would not only make it hard for 3i to take the long view, it would also force a change in its investment philosophy in favour of companies paying a high dividend or those whose assets it could dispose of readily to realise gains. These are not characteristics of companies 3i believes it is largely in business to serve.

The solution may be to float 3i in a form which insulates it from these pressures, possibly by transforming it into an investment trust. This would require the agreement of the Inland Revenue.

Although this idea is being mulled over at 3i's headquarters in London's Waterloo Road, no final decision has yet been made. Were 3i to become an investment trust, it would rank among the largest in the UK and be a unique animal that would challenge the analytical skills of the City.

The profitability question is particularly sensitive because 3i might not be able to fund itself on quite such fine terms once it loses the backing of the clearers and the Bank. At the moment it enjoys the top credit rating on the U.S. commercial paper market, and is a frequent and successful borrower on the international and UK capital markets. On its own it might have to pay more for its money.

Fortunately, 3i has not had to tap the markets during the recent period of uncertainty, and Mr Poulds says it has been able to pursue its lending and investment activities smoothly. But an early decision about its fate would obviously be welcome for the management.

3i's shareholders have only been receiving dividends since 1980, and pay-outs have levelled off in the last two years. Cash is always handy, but since its bank owners "equity account" their stake in the group, the absence of a pay-out is less important: they count a proportion of 3i's profits as if they were their own.

What evidently worries the people at 3i is that the clearers' deliberations about its future could well be influenced by its below-average performance in terms of its profits, rather than the steady rise in the value of its assets. This is why 3i would prefer to be viewed as an investment trust rather than a commercial company.

On the assets yardstick, not surprisingly 3i comes up much better. Over the last 10 years on a compound basis 3i's net assets per share have grown by 17.7 per cent, including reinvested dividends, or 16.3 per cent excluding them.

Ten years ago, the group was worth £13m. As of last March 31, it had a net worth of £558m, which is the sum at stake as far as the owners are concerned.

venture capital business, to the point where there is now, if anything, a surfeit of funds chasing new business ideas. However, 3i remains both the biggest and, in many people's view, the most successful venture capital company in the UK.

Today, it is organised into three basic groups:

• Advisory companies which provide consultancy and portfolio management services and perform essential tasks like rescuing companies in distress.

• Investment activities through which the bulk of 3i's investments are made. These are grouped largely round 3i Ventures, formerly 3i, which provides finance for medium and small business. Another group, 3i Ventures, is at the "sharp end" of the market, finding promising new high-growth companies which need both money and managerial expertise. There is also a group which bundles 3i's activities in the City, mainly putting together deals with the corporate finance departments of merchant banks for larger companies.

• International subsidiaries including 3i's activities in Europe and the U.S. where it has offices in two of the leading hi-tech growth markets, Boston and Southern California.

3i has profitably invested a total £2.12bn in the form of both equity and long-term loan finance. In the last 10 years, though the trend recently has been towards smaller enterprises (over half of last year's £345m investments were £100,000 or less).

"We have the skills to operate at the margin of risk," said Lord Caldecote. 3i prides itself on the technical and managerial experience of its staff, which is fairly tight-knit and, since it has to compete

with well-heeled City employers, well-paid.

3i Regions, for instance, claims to have pioneered the management buy-out in the UK more than a decade before it became fashionable. It has a pool of some 30 industrial advisers who are experts in their field and able to evaluate many of the 12,000 or so propositions it gets each year (about 1,000 of these get off the ground).

3i City, on the other hand, deals mostly with professionally managed, listed companies, and works on sophisticated financial

packages in conjunction with other financing institutions. One of 3i's claimed "firsts" was the UK deep discount bond, for William Collins, the publishers.

3i's relatively greater size than other venture capital outfits also enables it to take on slightly larger commitments, another special feature. "It's easy enough to round up £15m of equity for an unlisted company," said Mr Evans Macpherson, director of 3i City. "It's a different matter if you move on to £30m."

3i Ventures, by contrast, says it is in the "business of building businesses" as opposed to just investing in them. Though one of the smallest parts of the

group, it gets very closely involved with the companies it handles.

But it is a treacherous business. Last year 175 of the group's companies, or 5 per cent of its portfolio, went out of business. Profits were also hit by a £9m provision against investment losses in the recession-hit shipping industry.

But this record is no worse than others in the risk capital business. Considering 3i's close involvement with high-growth markets, it is probably above average.

One of the reasons most

### THE OWNERSHIP OF 3i

Investors in Industry is the new name adopted in 1983 by Finance for Industry, the holding company formed in 1973 for Industrial and Commercial Finance Corp (ICFC), Finance Corporation for Industry (FCI), and smaller subsidiaries. Its shareholders are the Bank of England (15 per cent), Bank of Scotland (3 per cent), Barclays (19 per cent), Lloyds (14 per cent), Midland Bank Group (18 per cent), Royal Bank of Scotland Group (7.5 per cent) and National Westminster Bank Group (23.5 per cent). In the year ending March 31, 1985, it made a pre-tax profit of £38.5m, up slightly from £38m the year before. Its balance sheet on that date totalled £1.75bn.

frequently, given for its good record is that 3i's owners do not clamour for higher dividends year by year—it is thus sheltered from pressure to perform well in the short term. It can invest in its smaller companies which will not show an immediate return.

This is not to say that profits have not risen; they have, but erratically. They fell in 1982 and 1983, mainly because of the effect of the recession on its investments in small, fragile companies, and the highly contested accounting policies it uses to write down the value of its investments where prudence dictates. Earnings per share have not made any real gains since 1981.

3i Ventures, by contrast, says it is in the "business of building businesses" as opposed to just investing in them. Though one of the smallest parts of the

group, it gets very closely involved with the companies it handles.

But it is a treacherous business. Last year 175 of the group's companies, or 5 per cent of its portfolio, went out of business. Profits were also hit by a £9m provision against investment losses in the recession-hit shipping industry.

But this record is no worse than others in the risk capital business. Considering 3i's close involvement with high-growth markets, it is probably above average.

One of the reasons most

## Men and Matters

### Pick of the stocks

The London Stock Exchange's corporate contribution to the forthcoming Big Bang in the City of London is to be a new, high-profile, publicity campaign.

While it is not yet advertised on television, I am told in the Throgmorton Street fastness, "There has to be a very good chance of it coming about."

A variety of scripts suggest themselves. How about a dramatisation of the ritual removal of trousers?

When a stranger was spied on the floor of the old exchange it was customary to cry "1400" (the membership being limited to 1390) and the interloper was promptly debarred.

I am assured that such things do not happen in the new exchange. But surely a little poetic licence would be in order to produce riveting television?

A television slot would be the key to a growing public office built by the stock exchange during the last few years.

The smartly dressed gallery agents are now escorting more than 200,000 visitors a year—a tenfold increase upon five years ago.

The stock exchange investment evenings held around Britain have been a sell-out. Every meeting arranged so far has been oversubscribed, says Peter Davis, who has just taken over responsibility for the exchange's new publicity department.

The BT issue created an extra 1m British shareholders overnight and the stock exchange is expecting further big increases in shareholder ranks with the forthcoming issues for British Gas and British Airways.

Davis argues that television advertising would be a logical way to keep up momentum—which the exchange officials measure in terms of numbers of new inquiries for advice on buying and selling securities.

### Counter-attack

The top people's store is the latest place to feel the winds of independent trade unionism

statement yesterday saying Ushaw was the only union recognised and the new association would not be given negotiating rights or any facilities. Ushaw reckons it has some 965 of the store's 2,000 employees.

But Harrods did not get where it is today by being dogmatic. If the new body rivals Ushaw's membership, it may think again. Recruitment battles could rage round the caviare counter.

### Myth placed

The FT seems to have touched a sensitive nerve with its story a couple of weeks ago of claims that the ancient city of Troy was situated in Yugoslavia and not in Turkey.

Our man in Belgrade reported that without even waiting to see a translation of the thesis put forward by Mexican philologist, Robert Salinas Price, Yugoslav tourist agencies had rushed to make the most of the opportunity.

The theory—that Troy was situated at the village of Gabela, near Capljina—was seen as "a godsend to the Yugoslav tourist industry, and anyone casting doubt on the new thesis is regarded as a virtual traitor to the cause of Yugoslav tourism," our man wrote.

A Yugoslav magazine has taken umbrage at the FT's accusations of "recycling and commercialising unproven scientific hypotheses and striving for invisible earnings . . ."

The British seem to have forgotten, says the magazine, "that they themselves are the creators of this tourist trick and that for centuries they have been selling fog and ghosts to the tourists."

### Guaranteed

From Andorra comes the story of the two girls working in an invisible laundry shop.

"You don't need to be so fuzzy, dear," one said to the other. "Nobody is going to see it."

### Observer



Would you see a Plumber about a toothache?

### The Specialists

In Contract Hire

Sevenoaks · Burton-on-Trent · Leighton Buzzard · Glasgow  
For information in any area call: (0732) 455255

Dear Mr General Secretary,  
Here are the World Bank's confidential and informal comments about economic reform in the Soviet economy, which you requested be passed on to Moscow through Ambassador Dobrynin. I need hardly stress that these comments have no formal standing as official World Bank opinion, since your great country is, regrettably, not a member of the Bank, nor any claim to expertise, since Bank officials as such have not visited the Soviet Union.

But we are flattered that our recent report on the long-term issues and options facing China, a socialist economy of comparable dimension to the Soviet Union, has attracted your attention, and encouraged that you think that report might have some lessons for the Soviet Union.

I appreciate that you may regard some of our economic prescriptions as incompatible with Soviet ideology; that is not for us at the World Bank to judge. I would only point out that, while we generally favour open markets, realistic pricing, and currency convertibility, the Bank is a sister to the International Monetary Fund, has a world-wide membership and does not espouse capitalism over communism.

Drawing principally on our report on China, but also drawing on experience gained in working with such Bank members as Hungary, Romania and Yugoslavia, I can summarise our recommendations as follows:

**Planning:** We heartily endorse your call for a change in Soviet central planning towards a more market-like role, along with the state planning committee, focusing more on setting longer term strategic priorities and enterprises, or associations of enterprises, gaining more autonomy in the daily running of their business.

We would, however, urge that as you set about designing what you have called "a flexible and up-to-date economic mechanism," you consider going further and modify the system of setting compulsory annual input allocations and output targets for each and every enterprise. The main focus of central planners' attention would then become the medium term, or five-year plans, which of course could be adjusted and monitored each year.

We realise this would be a major change in an economy that has been centrally planned longer than any other socialist economy, but we feel that now the whole process of detailed economic administration, a few runs down the ladder, from Gospplan towards those on the factory floor, would be the best way of achieving the greater responsiveness to consumer demand and to technical



## Open letter from the World Bank

## Some polite suggestions for Mr Gorbachev

David Buchan, East Europe Correspondent, offers thoughts on economic reform to the Kremlin

Michael Gorbachev

A. W. Clausen

innovation that you have said you want.

Hungary dismantled mandatory annual targets for enterprises in one step. But more suitable to a more socialist line, you would like, as we have suggested in our report to the Chinese, to "reduce gradually each year the proportion of material requirements covered by the state allocation and, in parallel, the obligatory state production and procurement quota."

**Pricing:** However skilled central planners are, and Soviet planners have longer experience than any others, we believe that centrally administered prices are as "said to the Chinese" the "flexibility, complexity and precision" needed in a modern economy. Market supply and demand forces should play a greater role in shaping prices, which should be decontrolled as widely and rapidly as possible.

There may be powerful short-run objections to such price decontrol. Where shortages exist, free prices may mean much higher prices. But as we said, rather bluntly, in our China report, "Soviet and East European experience suggests that chronic shortages are not the temporary result of inadequate production capacity, but an enduring feature of administrative economic management, which can only be eliminated by systematic reforms, including price decontrol."

We note that you have spoken publicly of the need for radical improvement in Soviet price formation, but do not apparently intend to let a free or more automatic price mechanism take some of the burden of allocating resources

off the shoulders of your central planners. We would urge you to be more ambitious in this area.

**Competition:** As the Chinese know, competition, some competition, is crucial to efficient growth. One precondition for this is to let enterprises buy from the best and cheapest source, which could be achieved by the reduction in the input allocation system that we have already recommended.

Another key ingredient is to allow free entry of new producers or trade organisations into particular market, which Hungary has permitted to some considerable extent. As we understand it, you in

and tax signals, or to compete." This generalisation, from our China report, holds good, we believe, for all Socialist countries.

But if you are considering internal management changes in Soviet enterprises to enhance their motivation, we would counsel that (a) you eschew Yugoslav-style worker control—which seems to be inflationary as workers tend to vote themselves excessive pay rises—and (b) you consider the approach now tried in some capitalist countries, but now in Hungary, with workers represented on the boards of small and medium-sized companies. The largest or most important enter-



prises could stay under direct control of the state.

**Services:** The share of services to the consumer such as restaurants and tailors and to enterprises such as finance, accounting and the law is strikingly small in Socialist countries. Indeed, services do not even figure in Socialist countries' national income statistics, but a forthcoming study done for the World Bank estimates services only account for an average 20 per cent of the gross national product in the Soviet Union and eastern Europe.

We believe, Mr General Secretary, that you would have several compelling reasons to reverse the long neglect of services in the Soviet economy. First, an expanded network of

retail shops, plumbers, electricians and so on would directly benefit households and individuals and cut out a large portion of the second economy. And he will stand the materials.

Second, as we stressed to the Chinese, having more bankers, accountants and lawyers would help enterprises to stand more on their own feet and to specialise. Thus, expanded services and economic reform, in our opinion, go hand in hand. Third, a bigger, better-equipped and more responsive commercial sector will reduce enterprises need to hold so much material in stock and thus their need for operating capital. Oversize inventories are, we find, a striking characteristic of Socialist economies.

**Foreign capital:** We at the World Bank believe that the Chinese have been wise to encourage direct foreign investment, as we told them, "less for the foreign capital or advanced technology it brings than for the demonstration effect of modern management techniques." This argument is reinforced in the case of the Soviet Union, which by your own account lacks management much more than technology.

This, then, is the summary of our views which you asked for. I hope they are of interest, even if not of immediate practical use. Were the Soviet Union to be interested under your leadership in joining the IMF and World Bank, we would most warmly entertain such an application. Full agreement with the Bank staff views is not a prerequisite for membership; if that were so, we would have very few members indeed.

Wishing you every success in your task.

A. W. Clausen,  
President of the World Bank.

## Sanctions and South Africa

## History shows success cannot be assured

By Gary Hufbauer and Jeffrey Schott

WHEN Congress reconvenes next month, it will send President Reagan a Bill imposing economic sanctions against South Africa.

The sanctions include a ban on sales of kruegerends, on bank loans and computer exports to government agencies, and on transfers of nuclear technology and equipment. In addition, compliance with the Silliman Principles would become mandatory for most U.S. subsidiaries in South Africa. Additional measures would be imposed if progress towards ending apartheid is not made within a year.

The Bill reflects a bipartisan Congressional stand against apartheid and a challenge to the Administration's policy of "constructive engagement."

The proposed measures are largely symbolic; they impose no significant costs on the African economy. The President could sign the Bill, rationalise

(eg, a porous arms embargo) African investment game. Even the U.S. accounts for less than 20 per cent of total foreign investment in South Africa; the UK and Germany, by comparison, have more than a 50 per cent share, and both remain reluctant to impose sanctions.

Unilateral sanctions will not dent the arm of apartheid. The U.S. and key European countries must co-ordinate their policies to create even a semblance of effective pressure against the South African Government. Such pressure might best be directed towards the implementation, over a period of time, of specific reforms that gradually erode the pillars of apartheid. The South African Government could be asked to take several pragmatic steps.

For example, the government could, and later implement, the programme advocated last January by six South African employer groups: universal citizenship; meaning



full political participation for all blacks; free and independent trade unions; the right to own shops or conduct business anywhere in the country; and an end to the forced relocation of people.

However, if reforms come to South Africa, they are likely to be inspired by internal developments that are only tangentially related to Western economic pressure. Even if a joint programme of economic pressure is agreed by the U.S. and Europe, and even if the programme seeks practical reforms, the historical record indicates that success is not assured. Less than a quarter of U.S. attempts to deploy sanctions since 1973 have been even partially successful. The record of large international campaigns in pursuit of ambitious goals through the use of economic pressure is particularly dismal.

Gary Hufbauer and Jeffrey Schott are Fellows of the Institute for International Economics and members of the Economic Sanctions Roundtable, Institute for International Economics, July 1985.

## A tax/wage trade off

From Mr G. Webb  
Sir—Mr Prowse's article on unemployment and wages (August 8) was refreshingly balanced. For too long public discussion on the UK unemployment problem has been highly politicised; Mr Prowse's article, on the other hand, starts with the undeniably economic fundamentals (the link between wages and jobs) and then makes the observation that people already in employment may be reluctant to forego wage claims unless they know others are doing likewise. His argument for an incomes policy rests on nothing more than that—underlying economic fundamentals and common sense.

While the history of incomes policies in the UK is not very encouraging, the circumstances have indeed changed: unemployment is considerably worse than at other post-war periods when incomes policies were attempted; the links between wage restraint and job prospects are now much more widely accepted, both in the UK and elsewhere; and the Government has already explicitly stated its desire for large tax cuts before the next election.

This last observation is a potentially crucial one. Peasants may believe that those in employment are not only unlikely to agree to wage restraint individually, through fear of losing out in relative pay terms but also collectively, unless they are offered some quid pro quo. For such pessimists—and I count my self among them—an explicit tax/wage trade-off, with personal income-tax cuts being contingent on wage restraint, provides the answer. This approach has been tried recently in Australia. The result: two years of very high real growth, with prospects of more to come, and substantial inroads into the unemployment problem.

Geoff Weir,  
15 rue de la Federation,  
75015, Paris, France.

## Less spending power

From Mr D. Redfern  
Sir—I wish that people such as Michael Prowse ("A vein that is waiting to be tapped," August 9) would follow their arguments to a logical conclusion. It never seems to occur to them, for example, that a drop in wages in real terms means less spending power, less effective demand, and products and therefore more unemployment. If their contention is then one of "regular pour mieux sauter," I can only say that it wouldn't happen. The saving in wages would not go in wages for more people, but elsewhere, as will soon be apparent. In any case, this theory that the less each individual takes in wages, the more people can

## Letters to the Editor

be employed, seems to stem from the old exploded idea that there is a fixed sum from which all wages are drawn. A little thought should convince anybody that this fund is purely imaginary. As a man works, he adds his quota of value to the other quotas that go to the finished product, and his wage should be equivalent to the value he has added. The more men, the more wages.

If, however, contrary to all common sense, labour can be persuaded that it will benefit from lower wages, attention will be diverted from what really happens. Could an unscrupulous observer fail to notice that, while the real value of wages is in decline, or is even difficultly maintained by industrial action, the value of land is quietly accelerating upwards, at a rate in excess of the rate of inflation? And well may this happen, with the tight hand of the speculator releasing it in grudging dribs and drabs over 250,000 acres of urban land alone, according to the Civic Trust, are devoted to dereliction.

But very seldom does one see land taken into account when remedies for unemployment are discussed, although land is essential for all purposes of production and exchange, and land means idle people. The true remedy is to tax all land, albeit collectively, unless they are offered some quid pro quo. For such pessimists—and I count my self among them—an explicit tax/wage trade-off, with personal income-tax cuts being contingent on wage restraint, provides the answer. This approach has been tried recently in Australia. The result: two years of very high real growth, with prospects of more to come, and substantial inroads into the unemployment problem.

Geoff Weir,  
15 rue de la Federation,  
75015, Paris, France.

## Artistic freedom

From Mr P. O'Shea

Sir—I am rather puzzled by Professor Myddleton's letter (August 12) berating Dr Budson for writing of his surprise at Lex's opinion on the National Coal Board's accounts.

Leaving aside the digressions into the justification of the recent industrial conflict in that industry, one may accept that accountancy is both an art and a science but one can go along with Professor Myddleton's statement that accountancy is an art not a science.

Although there is no doubt that the bottom line will depend on the basis chosen for producing any particular set of accounts and scientific accuracy is unachievable, sanity requires that the objective of accountants is to get as close to the truth as reasonably possible.

An artist has the freedom to exercise his skills and imagination in a way that society has not thought fit to allow in the accountancy profession—for reasons most of us would understand.

In any case, this theory that the less each individual takes in wages, the more people can

stand. Obviously the NCB is treating its accounts as an artist would and is not subject to the controls and restraints that apply to company accounts. Perhaps we can all agree that the NCB is different and only subject to criticism in comparison with other national practitioners in this artistic field.

P. J. Pace O'Shea,  
13 Westchester Drive, NW4

## The Britoil issue

From Mrs E. Mabey

Sir—Re: "Small investors winning day in Britoil issue," Lucy Kellaway, (August 10). Did they? Surely not. It could be that they were even conned over it.

We note that you have spoken publicly of the need for radical improvement in Soviet price formation, but do not apparently intend to let a free or more automatic price mechanism take some of the burden of allocating resources

not be very rich, but they are surely very likely to own some other shares. The small profit available to successful applicants is also commendable—it meets political criticisms of "easy pickings," while encouraging the new owners to hold their shares—so the spread of ownership is not merely trumpery.

What is not so desirable is that dealings will commence before small shareholders receive their allocation letters. They are effectively excluded from selling for several days—second-class treatment. I am sure this will create unnecessary bad feelings.

On the whole, however, the allocation is consistent with the Government's proclaimed policy objectives in this area. Lazar, therefore, deserves a bouquet, not a brickbat.

Richard Beville,  
Fitz S. 111, St George's Square, SW1

## Revamping the bourses

From Mr M. Hawtin

Sir—I refer to the article by Jonathan Carr (August 8) on revamping the German bourses. While the effects of the structurally weak equity market in Germany are well known, the

causes are not so clear.

It is all very well to rationalise the bourses and to simplify the process of obtaining public quotations—one may as well rearrange deck chairs on the Titanic. One of the main reasons for the weak structure of the equity market stems from the abundant sources of finance available from commercial banks in the past. The dominant lending position occupied by these banks has enabled them to demand significant equity stakes and influential positions on supervisory boards.

It is for this reason that companies have remained private. With the banking sector still a dominant force in Germany, transition to an equity-based system will remain slow.

Mark Hawtin,  
Quilter Goodison and Co.  
PO Box 216,  
31-45 Gresham Street, EC2

## Raffles wants a job

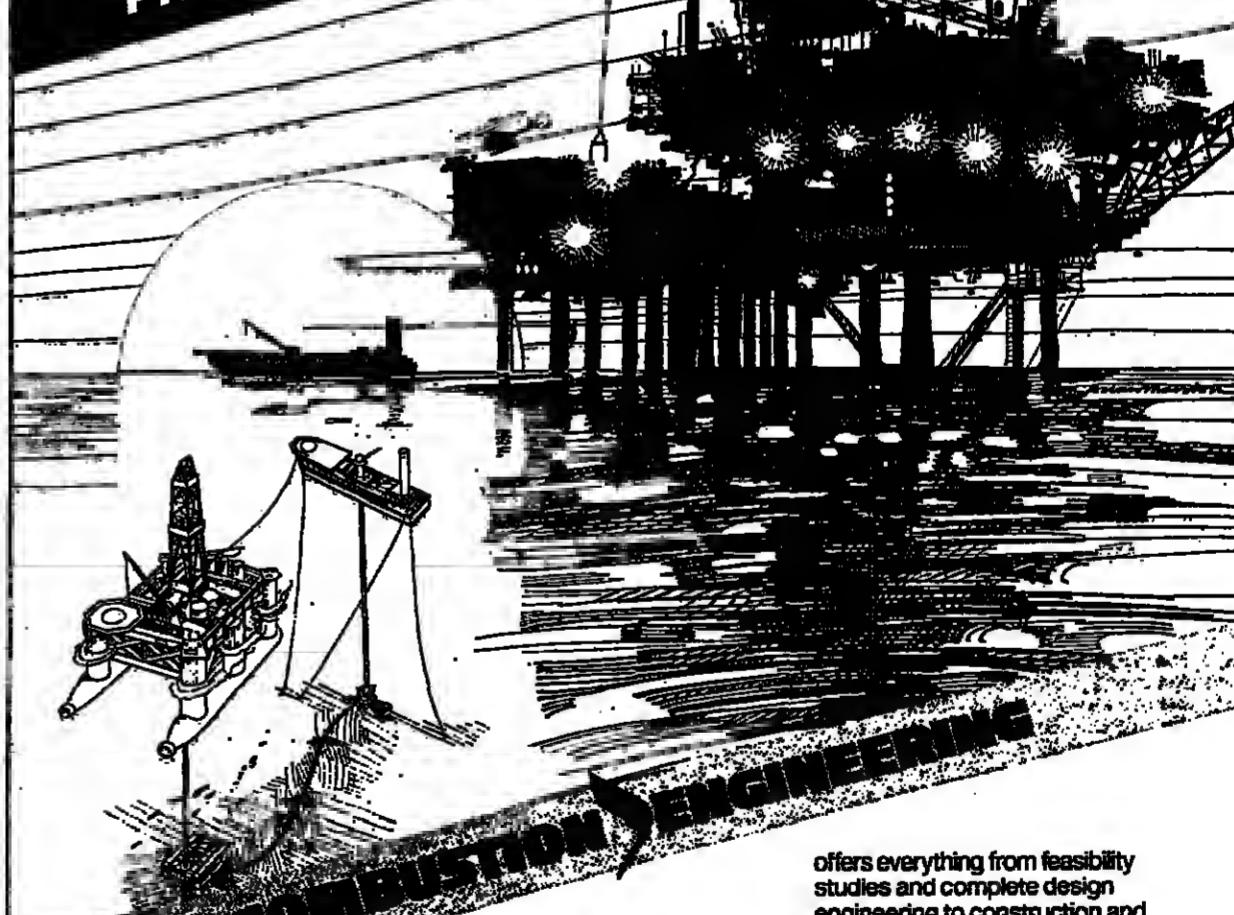
From Mr C. Nicodemus

Sir—After four years indulging in plagiarism with the pious hope of presenting my easy-work timeout, I was somewhat disheartened to read (Lex, my educational publication, August 12) of the poor choice of

Due to the statements printed in this article, I have subsequently altered my CV's to brandish my capabilities as a successful gambler, and Raffles-type character, in an effort to receive an interview with a financial institution.

Chris Nicodemus,  
20 Overlee Road,  
Clarkston, Renfrew.

ONE REASON WE HELP HANDLE  
25% OF THE WORLD'S OIL:  
WE GET THE PROFITS FLOWING FASTER.



Combustion Engineering  
offshore oil and gas  
When it comes to bringing in  
offshore oil and gas, no one can  
match the total capabilities of  
Combustion Engineering Offshore  
Production Systems. We  
go deep for it, process it, and  
move it to the pipeline, tanker,  
or refinery. Most important,  
we help do the job faster and  
more economically than the  
competition.

© 1985 Combustion Engineering, Inc.

offers everything from feasibility  
studies and complete design  
engineering to construction and  
installation. And we can even  
operate and manage the new  
system, too. With flexible alterna-  
tives that include leasing,  
counter-trade, and outright  
purchase.

For more about how  
Combustion Engineering gets  
oil and gas profits flowing  
faster, contact: Combustion  
Engineering Limited,  
72-74 Station Road, Hayes,  
Middlesex UB9 4DP, England.  
Tel: (01) 848-9191.  
Telex: 262343 (GRAYLN G).

Wednesday August 14 1985

Leslie Colitt in Warsaw on how apathy poses a threat to Poland's banned union

## Solidarity forced to rethink strategy

**POLAND HAS** sunk into a state of "normalisation" - a perpetual tug of war between the authorities and the opposition, five years after the strikes which ignited in the Lenin shipyard in Gdańsk and gave birth to the free trade union, Solidarity.

Solidarity has now been banned, and replaced by official unions, its organisational structure in ruins. The population failed to heed Solidarity's call for an national strike on July 1 to protest over price rises, although it was such strikes which sparked off the 1980 Lenin shipyard strike, generated a wave of stoppages throughout Poland and resulted in the signing of the Gdańsk Accords with the country's leaders.

The accords led to the legalisation of Solidarity as the Soviet bloc's only independent labour union until it was suppressed under martial law in December 1981 amid mounting confrontation with the Government.

Both sides in the present political wrangling know genuine victory is illusory, but nevertheless have visions of winning. Too many Poles, however, have dug in their heels, resisting everything the Government asks of them, for the authorities to succeed in dragging the opposition back into line. The Government remains tightly tied to the Soviet Union.

A senior government official recently accused the opposition of remaining oblivious to the country's geopolitical situation. "They had to understand that Warsaw is situated on the Vistula and not somewhere in anger."

With Solidarity appearing to be a spent force, the Polish opposition has ceased to pose a vital threat to the Government. Each passing appeal by Solidarity meets with less response, as apathy deepens among former members. The risks involved in actively supporting the

**POLAND'S** new trade unions which were set up to replace the banned Solidarity union were taken to task by the official press yesterday for not restricting growing pay demands and failing to boost productivity.

The criticism came on the eve of the anniversary of the strikes which began on August 14 1980, which Mr Lech Wałęsa, Solidarity's leader, planned to mark with a wreath-laying ceremony. On previous anniversaries the authorities refused to allow him to place a wreath at the monument in Gdańsk built to commemorate the killing of shipyard workers in the strikes of 1970.

The Polish Government newspaper, *Rzeczpospolita*, attacked the official union for an "unjustified" growth in pay claims, which have risen by nearly 20 per cent over last year. The newspaper said the pay increases were endangering the Government's anti-inflation programme at a time when supplies of certain consumer goods were lower than last year. It

must bear no relationship to the results.

Despite the lack of response to its July 1 strike call, the union's underground leadership has still called for a boycott of the October 13 Parliamentary elections.

Mr Józef Jaskiernia, secretary general of PZPR, the Government body organising the elections, said it might well achieve up to 80 per cent participation, compared with 75 per cent in last year's local elections. This, he noted, would be ample proof that "stabilisation" was continuing.

Solidarity, they claimed, was far from being paralysed, noting that it operates an underground press issuing nearly 1,000 publications with a circulation of some 30,000 for the largest ones. More than 100,000 Poles are said to be involved in the underground press and publishing groups, which signs contracts with the country's leading authors.

The Government, however, is taking steps to make the activities of Solidarity's leadership more difficult. Mr Oryszkiewicz said he expected that the law, just passed, to end university self-government

1980. He compared the present stalemate with the years following the suppression of the 1905 Polish uprising, when tensions continued to rise.

Mr Oryszkiewicz and fellow "activists" in the opposition noted that only unceasing pressure on the authorities in the past had led to more internal freedom - for the church, culture and contacts with the West - than 20 years ago, and more than exists in any other East European country.

Solidarity, they claimed, was far from being paralysed, noting that it operates an underground press issuing nearly 1,000 publications with a circulation of some 30,000 for the largest ones. More than 100,000 Poles are said to be involved in the underground press and publishing groups, which signs contracts with the country's leading authors.

The Government, however, is taking steps to make the activities of Solidarity's leadership more difficult. Mr Oryszkiewicz said he expected that the law, just passed, to end university self-government

world result in his joining the ranks of the academically unemployed. Previously, he was protected in his position as a Warsaw University lecturer in mathematics by the independently elected rector.

He said tight ministerial control was likely to lead to his dismissal, as well as that of many other academic opponents of the Government. It remains unclear whether the Government will require a loyalty oath from them or use this selectively as a threat.

One university economist, who supports Solidarity's ideals, said he would be presented with a predicament if forced to sign a loyalty pledge. Unlike many other East Europeans in a similar quandary, however, he would not even consider signing it as an expediency. He wanted to stand up and be counted, he said, noting that "our greatest strength remains in our numbers."

Mr Bronisław Geremek, who has advised Mr Lech Wałęsa, the former Solidarity leader since 1980, said the Polish Government probably would like to follow a more

"liberal" policy, administered in Hungarian-style doses, but was frustrated by the strength of its resistance to Government measures.

Mr Geremek said he was worried by the growing radicalisation of alienated young Poles, who might one day resort to violence against the authorities. Most Solidarity officials - and rank and file former members - he said remained as moderate as in August 1980, when they rejected violence to negotiate in good faith with the Government.

The resulting Gdańsk accord is still honoured in part by the authorities, who have never officially repudiated the agreement.

The Government's present attitude to the strikes, which enveloped all of Poland, remains ambiguous.

On the one hand it acknowledges

that the protest was justified by the lack of "reformism" which had taken place. Last month, however, Mr Wojciech Jaruzelski, the Prime Minister, again charged that "counter-revolutionary forces" had tried to use the "bad feelings in society to paralyse the economy and topple the Socialist state.

Even among those Polish economists who have little sympathy for the opposition, there is growing concern about a backsliding to the methods of the central command economy in the 1970s, which helped to produce a virtual economic collapse, the ensuing strikes and the formation of Solidarity.

The head of the Polish Communist Party's Academy of Social Sciences recently issued a warning which startled many officials. They have been lulled into believing the opposition consists of only a few hundred Solidarity officials on the run, instead of the silent majority of Poles. A fourth crisis in Poland, he noted, after the upheavals of 1956, 1970, and 1980 would be "impossible for us to survive."

## Paris faces new delay on Caledonia poll

BY DAVID MARSH IN PARIS

**THE FRENCH** Government's battered plans to hold regional elections in New Caledonia have suffered a further blow following the threat of a new delaying move from former President Valéry Giscard d'Estaing.

M Giscard said the right-wing opposition would be asking the country's Constitutional Council to rule on the legality of President François Mitterrand's weekend decision to recall parliament for a renewed examination of the Government's controversial plans for eventual New Caledonian independence.

In wading into the fray over the legality of M Mitterrand's recall of the National Assembly and the Senate, M Giscard d'Estaing is also trying to mark a limit to the President's powers to order parliamentary re-scrutiny of contested legislation. This could be of crucial significance if M Mitterrand is forced to "cohabit" with a right-wing Government after next March.

The National Assembly, where the Socialists have a majority, adopted in the early hours of yesterday morning a slightly amended

and legalistic manoeuvring over France's troubled south Pacific territory is the Government's wish to set up a new regional congress in the islands well before France's general election next March. The congress is designed to lay the basis for the Paris Government's controversial plans for eventual New Caledonian independence.

Ironically, the aircraft bringing M Giscard to Paris on the first leg of its journey to the capital of Nouméa will be two French detectives sent to New Caledonia to inquire into the "French connection" in last month's bombing in New Zealand of the Greenpeace flagship Rainbow Warrior.

The new version of the bill adopted by the National Assembly yes-

terday increased slightly to 21 from 18 the proposed number of regional councillors to be elected from the predominantly white area in the south of New Caledonia around Nouméa.

This is designed to meet the criticism from the Constitutional Council and the opposition that the division of the islands into four councils would give disproportionately high representation in the new congress to the independence-seeking native population and discriminate against European settlers.

The signs were yesterday, however, that the government amendment would still not satisfy the Senate.

M Charles Pasqua, leader of the neo-Gaullist group in the upper house, yesterday called for at least 24 councillors to be elected from Nouméa.

Editorial comment, Page 19

## Pretoria dampens hopes of apartheid reforms

Continued from Page 1

Africa's international image still further because of the expectation raised.

Perversely, diplomats in the U.S. believe, the Reagan Administration could welcome a lack of realistic reform proposals from President Botha. This would allow the Administration to retreat from its constructive engagement policy - a policy which has lost Mr Reagan considerable support among South Africans and which is said to have cost U.S. diplomats many black contacts.

A further five people were reported to have died in political violence during the past 24 hours. The South African Institute of Race Relations said yesterday that the death toll since September 1984 had reached 601, all but a handful black. The violence, said the institute, was "unprecedented in the history of apartheid," exceeding the death toll of 375 in the Soweto riots of 1976.

## Sanko seeks protection but hopes for revival

Continued from Page 1

whether that group should be reconstituted in a new form or moved into liquidation. Either way, creditors are not expecting to recoup the bulk of their loans to the shipping company.

Sanko yesterday blamed its troubles on the world surplus of tankers and the continuing slump in world shipping markets. Shipping industry executives, however, said that Sanko must bear the blame for much of its trouble as it engineered a massive shipbuilding campaign in 1982 at a time when it was already deep in debt and the market still

reeling. Sanko denied yesterday that any of its ships had been seized at ports around the world. It was understood that a number of Japan's leading trading companies were planning to form a consortium to run Sanko's tankers while the court procedures were undertaken. Sanko has 263 ships, with 150 now at the rest laid up or in ports.

The company has more than 70

individual creditors, including four foreign banks, Citibank, Commerzbank, Berliner-Händels Frankfurt Bank and Bayerische Vereinsbank.

Together, these four banks are owed about Y10bn. Among the foreign banks, it is believed that only Citibank's liabilities were unsecured. Citibank officials in Tokyo refused comment on the matter yesterday.

Japan's Export Import Bank is owed about Y5bn which it lent to Sanko in 1976 under Japan's emergency import programme. Five other Japanese banks are owed around Y2.8bn, six trust banks a further Y16.5bn, 13 regional banks had loans of Y4.7bn, nine insurance companies are owed another Y1.8bn, and agricultural co-ops are owed Y6.8bn.

Marubeni, one of Japan's largest trading companies, said yesterday that Sanko owed it Y4.3bn, some of which was secured.

## High-tech deal delayed

Continued from Page 1

company in the CGE group is to supply its E15 digital telephone exchange to China at a time when Washington is trying to normalise trade links with Peking.

The Sesa affair "shows that Chinese deals cannot just go through carte blanche," one official said.

CoCom last autumn redrafted its embargo list, which formally applies as much to China as to the seven Warsaw pact members, Vietnam, Mongolia, North Korea and Albania. The list now includes the latest in sophisticated electronics equipment and gives greater weight to software which makes up an important part of the Sesa deal.

Ironically, the bid is aimed above all to ease problems of U.S. companies. These have been hard hit by

## MacGregor payment attacked by Labour

By Andrew Fisher in London

THE UK GOVERNMENT will pay a further £275,000 (£12m) to Lazard Frères, the U.S. merchant bank, for the past services of Mr Ian MacGregor as chairman of British Steel Corporation, a sum that led to an exceptional charge - MacGregor is clearly acting in the best interests of its shareholders.

Enterprise must be paid for, said the London market, which has been fully flushed by the large premium over the plc equivalent consequent on the Saxon Miller scrapping. The share price promptly dropped 2% to a new 1985 low of £1.05.

The market response was, on any long-term reckoning, illogical. While 1985 profits may now turn out to be no more than £300m pre-tax - the final outcome is heavily dependent on currency movements and the level of fourth quarter exceptional charges - MacGregor is clearly acting in the best interests of its shareholders.

Since the NV price is influenced primarily by the positions of investors on Wall Street, it may be that the London market has an even shorter-term investment horizon than its equivalents across the Atlantic. Or perhaps Unilever in Rotterdam simply did better a job of tipping the market off about a disappointing set of figures.

## Enterprise/Saxon

The independent oil sector has discovered the gashump. Soon after Aran beat Saxon beat Clyde for Petrolea, Enterprise has stepped in to scupper an agreed merger between Saxon and Charterhouse with not quite an offer for Saxon, at not less than 52p a share.

In a situation of extreme confusion it is no surprise that Enterprise shareholders were still accepting the merger in time for yesterday's closing date while the Saxon share price was saying there was an even chance of an Enterprise bid.

Enterprise is anxious that it does not seem to be using its Government

## ADVERTISEMENT

### ● AIR TRAFFIC

### Australian contract

A contract worth over £4m has been awarded by the Australian Department of Aviation (DoA) to Ferranti Computer Systems, Bracknell Division, for the supply of two air traffic service simulators. The simulators, one to be installed at the DoA Central Training College and the other at Melbourne Airport, will provide comprehensive training for Australian air traffic service officers.

The Melbourne simulator will use the same type of displays as those currently in service with the DoA whereas the

### ● MICROELECTRONICS

### Space savers

Ferranti Electronics is offering its ZN420 monolithic 8-bit DAC in the SO-14 surface mountable small outline package. This is believed to be one of the most compact devices ever offered in this package. Standard ZN420 packaging offers considerable space savings over conventional DIL packages. SO-14 is based on 1.25mm centres rather than 2.54mm and stands only 1.75mm high as opposed to 7.4mm. This saving, together with surface mountability, results in smaller, simpler printed circuit boards which are easier to assemble. It is intended for use where board space is limited and low cost is paramount.

The ZN420 has a typical settling time of one microsecond, a maximum non-linearity of plus or minus 0.5 least significant bit and a temperature coefficient of only 0.2 parts per million per degree Celsius. The voltage output does not operate from a single +5 volt supply and has inputs which are both TTL and CMOS compatible. Monolithic is guaranteed over the complete operating temperature range.

The good news is  
**FERRANTI**  
Selling technology

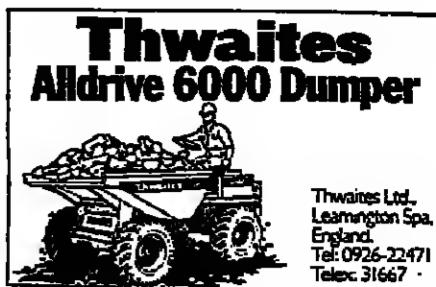
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136</th



## SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Wednesday August 14 1985



## End of U.S. withholding draws bond buyers west

BY MAGGIE URRY IN LONDON

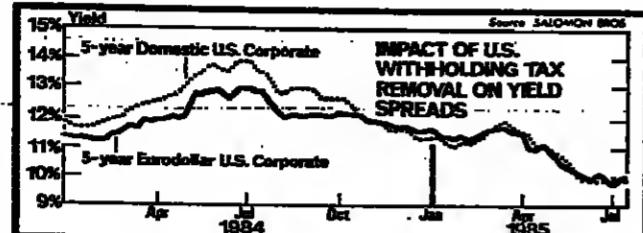
THE LIFTING of U.S. withholding tax in July 1984 has had a significant impact on the Eurodollar bond market according to new research by Salomon Brothers, the major U.S. securities house.

The 30 per cent tax had been levied on income paid to foreign investors in the U.S. domestic bond market. These investors preferred to buy Eurobonds where the income was paid free of tax. As a result bond buyers could raise money more cheaply in the Eurobond market than in the domestic market.

Salomon points out that "the removal of withholding tax made the domestic market more attractive to foreign investors." As a result the yield differential between Eurobonds and U.S. domestic bonds issued by U.S. borrowers has narrowed by around 30 basis points.

Borrowers who have ready access to both markets - mainly U.S. corporates - now find borrowing costs in the two markets more competitive. "On the primary market side, issuers now routinely compare the relative costs of the Eurodollar and domestic markets, targeting their offerings accordingly, thereby pushing the two markets into closer alignment," says the research.

Indeed, U.S. borrowers have been less prominent in the Eurobond new-issue market of late. This scenario is beginning to bring down yields on U.S. corporate paper in



the Euromarket as investor demand exceeds supply.

To some extent, the research justifies the fears of many Eurobond market participants that the lifting of withholding tax would divert business from London - the centre of the Eurodollar bond market - back to New York. However, Salomon identifies a number of other factors which determine the yield differential, called the spread, between the Eurodollar and U.S. Treasury bond market - the benchmark primarily used when pricing Euro bonds.

This increased buying should limit the rise in Eurodollar yields in response to Treasury yields caused by weakness in the dollar exchange rate, says Salomon. While many Euro-investors are deterred from buying dollar-denominated bonds for fear of making currency losses, dollar-based investors have fewer qualms. Salomon notes, though, that the recent weakness of the dollar has led to some rises in spreads.

Similarly, greater interest in the U.S. domestic market by traditional Eurobond investors since the repeal of withholding tax should also help to arbitrage away yield differentials between the two markets.

## UK bank enlivens Euromarket

BY MAGGIE URRY IN LONDON

THE Eurodollar floating-rate note market was enlivened yesterday by the exchange offer Standard Chartered, the UK bank, is making to holders of its \$300m perpetual FRN launched last year. Traders regarded the terms of the deal as generous, and the price of the issue jumped by up to 50 basis points at one stage.

Holders will receive a new perpetual floater paying the same rate of interest but with a slightly less good ranking among creditors, plus a cash payment of 70 basis points. Standard Chartered benefits because the new issue ranks as primary capital.

Hopes that National Westminster and Barclays Bank would follow Standard Chartered's lead pushed up the prices of their perpetual issues by as much as 30 basis points, dealers said, before they slipped back.

The exchange was formulated by Credit Suisse First Boston and will take place in November if note holders agree.

The Eurodollar fixed-rate market was dull yesterday with prices drifting lower by around 4 point. A flood of U.S. economic statistics this week is likely to keep traders on the sidelines.

Nomura International set the final terms for Nippon Suisan Kaisha's \$30m 10-year convertible as indicated with a 3/4 per cent coupon. The conversion price was set at ¥408 a share, a 5 per cent premium to the average share price over the last six days.

Another two Euroyen dual-currency issues appeared, raising ¥75m. Yamashita International launched a ¥25m 10-year issue for Hydro-Quebec, the Canadian electric power utility. This will be redeemed in U.S. dollars at an exchange rate of ¥208 to the dollar. The coupon was set at 8 per cent and issue price at 101 1/2. Fees total 2 per cent.

That deal was followed by the biggest yet - a ¥500m issue for Federal National Mortgage Association, the U.S. government agency, which comes in registered form. Like Hydro-Quebec's issue, and the crop of deals launched on Monday, terms were set at 8 per cent coupon or more. Hopes for interest rate cuts are mounting. The Pan Am 8 1/2 per cent convertible issue, which is being called this month, gained six points yesterday to trade at 124.

All these dual-currency issues are swap related with syndicate managers expecting borrowers to get very fine terms on the swaps.

International bond service,

Page 14

## S.African platinum mine opens

BY WILLIAM HALL IN NEW YORK

AFTER years of consideration, South Africa's Rustenburg Platinum Holdings has decided to mine the UG2 reef which lies under the main platinum-bearing Merensky reef, notably at the company's Union section. Production of UG2 ore has already begun on a "significant" scale.

Disclosing the news in the Rustenburg annual report, Mr Gordon Waddell, chairman, points out that UG2 represents "a very important possible extension" of the lives of the company's present mines.

It was not worked before because of the greater ease of exploiting the less-deep Merensky, which contains a higher proportion of platinum to rhodium and has simpler

metallurgical characteristics. However, in the event of the hoped-for expansion in demand for platinum-group metals it will be more advantageous for Rustenburg rapidly to increase production by extending its workings at depth to reach the UG2 than to set up a new mine and surface installations to tackle the Merensky elsewhere in the mining area.

Meanwhile, Mr Waddell thinks demand for platinum "is now probably in excess of the present supplies coming forward from the producers." He feels demand for significant quantities of the metal for use in car emission control catalysts to meet Western European needs will begin to rise before 1988.

## TWA defers decision on rival bids

BY TERRY DODSWORTH IN NEW YORK

THE board of TWA, the embattled transatlantic U.S. airline, deferred a decision on the two rival bids for the company yesterday as it sought to resolve the price struggle between Texas Air and Mr Carl Icahn, the Wall Street investor.

In a statement which suggested the St Louis-based company preferred the offer from Texas Air - it rose to \$26 a share last week - the TWA board said it was "pleased"

the price had been increased. But it said it was "mindful" of Mr Icahn's large stock position and the difficulty this posed to a merger. Mr Icahn, backed by two major unions in the airline, has assembled a 48 per cent stake in TWA, for which he has bid \$24 a share.

The company is also examining other proposals from Texas Air but declined to elaborate on them yesterday.

## GM plans \$575m plant expansion

BY OUR FINANCIAL STAFF

GENERAL MOTORS, the world's biggest car group, is to spend about \$575m to modernise its metal-stamping plant at Marion, Indiana.

GM said yesterday that its Chevrolet-Pontiac-Canada group would spend about \$440m on modernising and expanding the plant by more than 350,000 sq ft, with the rest go-

ing on tooling and related items.

The 30-year-old Marion plant produces sheet metal components for GM's car divisions. It employs 3,700 and GM said the modernisation was not expected to have a significant impact on employment.

Preliminary construction has begun, and the project is scheduled

## GBL wins takeover battle for Dupuis

By Ivo Dewey in Brussels

THE SMURFS, cartoon heroes of Belgium's longest-running business soap opera, have been saved from a fate worse than death - compulsory French nationalisation.

That, at least, was one Brussels newspaper's interpretation of the outcome of the takeover battle for Dupuis, the publishing house which holds the rights to the blue-skinned petromonsters and other lovable cartoon characters.

The compromise deal between GBL (Group Bruxelles Lambert) - Belgium's second-largest holding company, and Editions Mondiales, the French publisher, should now push the cheerful chappies off the front page.

The Smurfs saga began a year ago when GBL and another French publisher, Hachette, launched a friendly bid. £35m (\$54m) bid for Dupuis. Believing this had been formally accepted, the consortium was astonished to learn that Dupuis announced it had instead accepted a rival offer from Editions Mondiales.

The drama then moved to the Brussels' commercial court, which ordered a freeze on Dupuis shares while the legalities of the case were contested. The freeze was lifted last month, apparently in Editions Mondiales' favour, but a threat by GBL to spin off the story with an appeal led to yesterday's compromise.

The final agreement, valuing the takeover at Bfr 1.71bn, gives GBL 51 per cent of the shares with the remaining 49 per cent split equally between Hachette and Editions Mondiales.

The Belgian group will have control of Dupuis' printing, audio-visual activities and the lucrative cartoon books, while Editions Mondiales will take over the magazine interests.

## Murdoch to buy Dynasty distributor

By William Hall in New York

MR RUPERT MURDOCH, the Australian-born publishing magnate, has agreed in principle to buy Metromedia Producers Corporation, which counts *Dynasty*, the U.S. soap opera, among its stable of TV programmes which it distributes to stations around the world.

The acquisition is the latest move by Mr Murdoch in his bid to establish a major U.S. TV network and follows the planned acquisition of six TV stations from the Metromedia group for \$2bn. In March Mr Murdoch paid \$250m for a half share in the 20th Century Fox Film Corporation, a major TV producer and syndicator based in Hollywood.

Metromedia Producers Corporation (MPC) is also engaged in producing, acquiring, financing and distributing TV programmes throughout the world on a syndicated (ie non-network) basis. Although MPC does produce programmes for TV, its record has been chequered, and it is best known for syndicating programmes such as *Dynasty*, *Charlie's Angels*, and *Starsky & Hutch* to TV stations.

The cost of the latest deal is estimated at between \$20m and \$40m.

Mr Murdoch is still waiting for Federal Communications Commission approval for his acquisition of Metromedia's TV stations. He is also understood to be close to finalising the renegotiation of the \$1.35bn in public debt issued by Metromedia Broadcasting Corporation in December 1984.

The obligation to repay this debt passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

passed to Mr Murdoch on completion of the purchase of the Metromedia TV stations.

The obligation to repay this debt

## Notice of Mandatory Redemption

## PEMEX

## Petroleos Mexicanos

## U.S. \$20,000,000 8 1/2 per cent. Bonds 1987

Notice is hereby given that, pursuant to the provisions of the Trust Deed dated August 10th, 1972, between Petroleos Mexicanos and Hambros Bank Executor and Trustee Company, Limited, U.S. \$1,750,000 nominal of the Bonds is due for mandatory redemption on September 1st, 1985 at the redemption price of 100% of the principal amount thereof, together with accrued interest to September 1st, 1985. Pursuant to Condition 6 of the Terms and Conditions applicable to the Bonds, \$556 Bonds have been purchased by Petroleos Mexicanos and \$556,000 has been credited against the amount due for redemption. The serial numbers of the Bonds drawn for redemption are as follows:-

30	1369	2478	3347	3918	4606	5268	6045	6867	7231	8223	12444	17233	18781	19657
32	1370	2503	3348	3953	4607	5277	6050	6895	7232	8224	12456	17235	18782	19672
100	1376	2505	3349	3954	4609	5284	6054	6936	7237	8225	12457	17240	18792	19681
111	1384	2514	3360	3957	4634	5285	6066	7002	7243	8226	12457	17242	18810	19685
112	1418	2515	3364	3958	4685	5286	6075	7006	7247	8206	10989	12423	17350	18815
118	1439	2521	3365	3968	4687	5301	6080	7009	7267	8214	11004	12484	17369	18841
147	1443	2522	3370	3991	4736	5305	6083	7040	7268	8219	11011	12490	17370	18848
148	1446	2533	3373	3995	4763	5308	6087	7050	7271	8232	11012	12400	17374	18857
153	1449	2536	3378	3996	4765	5309	6092	7058	7275	8237	11015	14302	17375	18867
218	1450	2561	3389	4010	4771	5325	6094	7063	7281	8238	11019	14030	17377	18869
234	1468	2575	3390	4012	4778	5326	6105	7070	7284	8241	11022	14137	17384	18875
175	1472	2578	3391	4013	4785	5327	6106	7071	7285	8242	11023	14138	17385	18885
265	1477	2581	3392	4014	4786	5328	6107	7072	7286	8243	11024	14139	17386	18886
861	1480	2584	3394	4022	4787	5329	6109	7074	7287	8244	11025	14140	17387	18887
266	1488	2591	3407	4030	4804	5334	6201	7090	7289	8245	11026	14141	17388	18888
873	1494	2595	3408	4032	4805	5337	6202	7092	7290	8246	11027	14142	17389	18889
880	1502	2597	3422	4037	4815	5406	6224	7108	7292	8247	11028	14143	17390	18890
881	1509	2605	3431	4045	4820	5407	6232	7109	7293	8248	11029	14144	17391	18891
885	1512	2616	3433	4047	4843	5456	6233	7111	7293	8249	11030	14145	17392	18892
1521	2634	3443	4060	4846	5457	6246	7115	7297	8250	11031	14146	17393	18893	
1606	1608	2657	3457	4118	4896	5461	6252	7118	7298	8251	11032	14147	17394	18894
500	1608	2667	3478	4149	4875	5472	6255	7125	7295	8252	11033	14148	17395	18895
1019	1609	2670	3480	4150	4876	5473	6256	7126	7296	8253	11034	14149	17396	18896
1023	1671	2629	3543	4250	5030	5712	6368	7206	7950	10440	12733	17816	18423	18989
1040	1677	2637	3547	4251	5033	5718	6369	7207	7951	10443	12734	17817	18424	18990
1062	1701	2645	3571	4267	5046	5732	6405	7227	7955	10447	12735	17818	18424	18992
1063	1702	2658	3579	4262	5047	5745	6405	7232	7957	10450	12737	17819	18425	18993
1083	1703	2682	3587	4266	5056	5748	6407	7238	7958	10453	12738	17820	18425	18993
1098	1724	2692	3590	4270	5057	5750	6408	7239	7959	10456	12739	17821	18426	18993
1121	1729	2704	3617	4322	5059	5751	6419	7247	7962	10457	12740	17822	18427	18993
1129	1740	2707	3619	4341	5059	5752	6420	7252	7966	10458	12741	17823	18428	18993
1137	1752	2708	3621	4341	5059	5753	6422	7253	7967	10459	12742	17824	18429	18993
1145	1765	2708	3623	4343	5059	5754	6423	7255	7968	10460	12743	17825	18430	18993
1152	1765	2708	3625	4345	5059	5755	6424	7257	7969	10461	12744	17826	18430	18993
1170	1784	2708	3628	4346	5059	5756	6425	7258	7970	10462	12745	17827	18430	18993
1181	1785	2708	3629	4347	5059	5757	6426	7259	7971	10463	12746	17828	18430	18993
1211	1797	3001	3721	5128	5758	6433	7263	8049	10468	12758	17834	18434	18993	18993
1219	1799	3010	3720	5128	5759	6434	7264	8050	10469	12759	17835	18435	18993	18993
1228	1805	3011	3725	5129	5759	6435	7265	8051	10470	12760	17836	18436	18993	18993
1239	1820	3017	3728	5130	5760	6436	7266	8052	10471	12761	17837	18437	18993	18993
1258	1822	3037	3754	5147	5760	6437	7267	8053	10472	12762	17838	18437	18993	18993
1260	1828	3044	3763	5147	5760	6438	7268	8054	10473	12763	17839	18437	18993	18993
1276	1827	3248	3764	5148	5761	6439	7269	8055	10474	12764	17840	18437	18993	18993
1282	1842	3251	3767	5148	5761	6440	7270	8056	10475	12765	17841	18437	18993	18993
1288	1846	3252	3769	5148	5761	6440	7270	8057	10476	12766	17842	18437	18993	18993
1303	1856	3263	3770	5148	5761	6441	7271	8058	10477	12767	17843	18437	18993	18993
1315	1854	3268	3771	5148	5761	6442	7272	8059	10478	12768	17844	18437	18993	18993
1324	1855	3270	3772	5148	5761	6443	7273	8060	10479	12769	17845	18437	18993	18993
1337	1855	3271	3773	5148	5761	6444	7274	8061	10480	12770	17846	1		

## INTL. COMPANIES &amp; FINANCE

# Kosmos in deal to thwart unwelcome bid from Laly

BY FAY GJESTER IN OSLO

**KOSMOS**, the Norwegian shipping and industrial group, which is currently the target of a Nkr 1.1bn (US\$264m) takeover bid by **Laly**, a Norwegian investment firm, has concluded a deal which could help thwart the acquisition.

Kosmos has bought from **Norecm**, another Norwegian industrial concern, the latter's 7.5 per cent stake in Norwegian Caribbean Lines (NCL), paying with 742,000 Kosmos shares, 596,000 of which are new. The deal was concluded on August 9, under authority granted by a shareholders' meeting last year. Its effect, by increasing the total number of Kosmos shares from 9.46m to 10.06m is to raise the price tag

on the company.

The additional capital means that Laly would have to put up Nkr 1.17bn for a controlling 50.1 per cent shareholding.

At the same time, the Kosmos board has called a shareholders' meeting for August 15, at which it will seek authority for a one-for-five scrip issue, and a further issue of 2m shares to be carried out when required, to help finance acquisitions.

Kosmos says its management is currently working on several "strategically important" projects, which could be financed by such an issue.

The purchase of the NCL shares boosts Kosmos' stake in the cruise shipping company—controlled by the Norwegian

Kloster group—to 15 per cent. According to Mr. Herbjorn Hansen, financial director, it is in line with Kosmos strategy of expanding its interests in the hotel and travel sector.

Laly is controlled by Wilhelm and Arne Blystad, Norwegian brothers who have recently had a major impact in local financial circles through a series of aggressive takeover bids.

Their investment vehicle, Laly, was recently reorganised and is currently heavily involved following a major issue of shares in June.

Both in their early thirties, the Blystad brothers have successfully pursued a takeover strategy of cornering shares in companies.

## Drink groups to spend S\$160m

BY CHRIS SHERWELL IN SINGAPORE

**TWO OF** Singapore's best-known corporate names, **Fraser and Neave** (F & N), the soft drinks manufacturer, and **Malayan Breweries**, its associate, are to invest S\$160m (US\$73m) in facilities to modernise production and improve efficiency.

Mr Michael Farn, F & N's chairman, said yesterday that the expansion "will have been brought forward to support the government's efforts to revive the economy," but had been decided upon for "hard business reasons."

The two companies are part of the constellation associated with the Overseas Chinese Banking Corporation (OCBC), one of Singapore's "big four" local banks. F & N bottles Coco-Cola products and its own lines, while Malayan Breweries has Heineken, the world's largest beer exporter, as its foreign partner.

The new facilities will be located on the coast at the edge of the Jurong industrial area, and will allow expanded produc-

tion of beer, a wider variety of packaging, increased automation and closer integration. Funds for the project will be generated internally, and the first stage will be completed within four years.

The companies say that a key aim will be to increase exports. F & N currently exports 15 per cent of its output and wants to double the proportion. Malayan Breweries exports 30 per cent of its production already.

The need to modernise has become increasingly apparent in recent years. F & N's existing facilities, in a developed part of urban Singapore, are now 33 years old. Malayan Breweries has two separate production sites nearby, and these started operation in 1982.

About S\$120m of the total investment will go on the new brewery, with 60 per cent of this to be spent on plant and equipment. Current capacity of 750,000 hectolitres will rise to 1m, and later 1.5m. The

remaining S\$40m will go on F & N's plant next door.

The companies describe their investments in lavish terms as "decisions that show confidence" and moves "well into the next century". The intention is clearly to help build Singapore at a time when the island state is suffering its worst economic reverse since the 1960s.

Last month F & N reported pre-tax profits of S\$55m for the year to March, a marginal improvement on the previous year, on a turnover of S\$242m.

Mr Farn was especially outspoken about the problem of "parallel imports" of franchised products which exploited the market cultivated by F & N.

Malayan Breweries' results showed a bigger improvement. Pre-tax profits of almost S\$60m for the year to September were up on the previous year's S\$49m on a turnover of S\$600m. This year is expected to return to maintained profits.

## Thai Oil Refinery interim profits more than doubled

BY BOONSONG K'THANA IN BANGKOK

**FERMENTA**, the Swedish antibiotic and biotechnology group, has bought a 10 per cent stake in **Kabigen**, the gene technology company, from **Kemalvopet** (Sweden's leading chemicals group) for an unspecified sum. The move "will combine Kabigen's competence in gene technology research and development with Fermenta's know-how and biotechnology production facilities, which facilitates a significant strengthening of both companies' competitive power in the biotechnology field," said Fermenta.

THAI OIL REFINERY (TORC), Thailand's largest private enterprise in terms of turnover, has reported net profits for the half year to March more than doubled, to 125m baht (\$4.53m) from 47m baht in the same period of last year.

Mr Kasame Chatikavanij, TORC's chairman and managing director, said the result for the period is better than anticipated. He attributed the gain to the capacity maximisation of

the company's 65,000-barrels-per-day oil refinery on the country's eastern coast as well as to the greater procurement of cheaper crude oil input in the spot market.

Crude throughput in the period was 65,000 b/d, down from 65,800 b/d in the previous period. The gross refining margin was \$2.60 per barrel, down from \$2.74 a barrel in the previous period. Total assets rose to 5.99bn baht from 5.85bn baht.

All of these securities have been sold. This announcement appears as a matter of record only.

## Hong Kong revokes Asiavest's licence

By Our Financial Staff

**THE HONG KONG** Commission for Deposit-Taking Companies has revoked the licence of **Asiavest**, a finance company. In a brief statement, the Commission said the move was made at Asiavest's request.

The Commission suspended Asiavest's licence in May, saying that the company's business was being carried on in a "manner detrimental to depositors' interests."

Asiavest, which is controlled by **Asiavest Merchant Bankers**, of Kuala Lumpur, had a share capital of HK\$5.7m (US\$4.7m) at the end of 1984. Its turnover for 1984 was HK\$17.73m and it reported a loss of HK\$2.62m. At the end of the year, the end of last year were HK\$39.65m. The company had outstanding loans and advances totalling HK\$70.27m.

Until 1982, Asiavest was controlled by **Bank Negara** Malaysia, the central bank of Malaysia. Asiavest Merchant Bankers acquired the central bank's stake in that year.

**DOWNTURN** for **Dunlop South Africa**

By Jim Jones in Johannesburg

**DUNLOP SOUTH AFRICA** suffered a fall in both turnover and profit in the first half of 1985 and is not optimistic on immediate prospects even though sales were higher than those for the second half of last year.

Turnover fell to R111.7m (\$54m) in the six months from R116.2m in the same half of 1984. First half pre-tax profits were R15.2m against R18.7m. For all of 1984 turnover totalled R216.8m and pre-tax profits were R29.2m.

Mr Peter Fotherby, the chairman of the 52 per cent UK owned company, says the first half was a period of recovery from the severe business conditions of last year's second half but the short-term outlook is clouded by the problems of inflation and currency fluctuations.

First half earnings fell to 51 cents a share from 58 cents and an unchanged interim dividend of 28 cents has been declared. For all of last year earnings were 96 cents a share and a dividend total of 75 cents was paid.

Mr Fotherby expects this year's final dividend to match last year's and says that the terms of the merger with BTR South Africa will be announced at the end of this month.

## البنك السعودي العالمي المحدود

# Saudi International Bank

AL-BANK AL-SAUDI AL-ALAMI LIMITED

### Extract from Consolidated Interim Balance Sheet

	30th June 1985	31st December 1984
Capital Funds	£'000 194,039	£'000 186,091
Deposit Liabilities	3,112,936	2,726,875
Loans	1,267,964	1,212,866
Total Assets	3,495,700	3,044,847

London New York Tokyo Nassau

Shareholders: Saudi Arabian Monetary Agency, National Commercial Bank (Saudi Arabia), Riyad Bank, Morgan Guaranty Trust Company of New York, The Bank of Tokyo, Ltd, Banque Nationale de Paris, Deutsche Bank AG, National Westminster Bank PLC and Union Bank of Switzerland.

August 6, 1985

## Chrysler Financial Corporation

has acquired

## E. F. Hutton Credit Corporation

from

## The E. F. Hutton Group Inc.

and has renamed the E. F. Hutton Credit Corporation

## Chrysler Capital Corporation

The undersigned assisted in the negotiations and acted as financial advisor to Chrysler Financial Corporation in connection with this transaction.

## Salomon Brothers Inc

One New York Plaza, New York, New York 10004  
Atlanta, Chicago, Dallas, London (affiliate)  
Los Angeles, San Francisco, Tokyo (affiliate)  
Member of Major Securities and Commodities Exchanges

L.F. ROTHSCHILD, UNTERBERG, TOWBIN

KIDDER, PEABODY &amp; CO.

McDONALD & COMPANY  
Securities, Inc.

**The**  
**Toronto Dominion Bank**  
U.S. \$100,000,000  
Floating Rate Debentures  
February 1992

For the six months 14th August 1985 to 14th February 1986 the Debentures will carry an interest rate of 8 1/2% per annum.  
The relevant interest payment date will be 14th February 1986 and the amount of interest payable on each coupon will be U.S. \$428.06.  
Agent Bank  
Midland Bank plc

AHMSA

Altos Hornos de México, S.A.  
U.S.\$100,000,000  
Floating Rate Notes due 1987

In accordance with the provisions of the above Note, notice is hereby given that for the six months from 12th August 1985 to 12th February 1986, the Notes will carry an interest rate of 8 1/2% per annum.  
The interest payable on each U.S.\$10,000 Note on the relevant interest payment date, 13th February 1986, against Coupon No. 8 will be U.S.\$43.23.  
Agent Bank:  
Lloyds Bank International

## UK COMPANY NEWS

## Unilever down in second quarter

A SECOND-quarter profit decline at Unilever, the Anglo-Dutch foods and consumer products group, left it with just a 4 per cent increase in taxable profits in the first half of 1985.

Down £6m to £266m, profits in the three months to June 30 were adversely affected by depressed markets, pressure on margins and restructuring costs in the edible fats operations; and by higher costs in the detergents business, particularly in Germany.

In addition, the group's U.S. activities suffered from severe competition, particularly in the consumer products and toiletries operations. There was also the increased cost of implementing the investment programme in the U.S.

Half-year sales were up from £7.22m to £9.22m for an operating profit of £50.6m, against £47.6m. After the net charges for interest and other financial charges, the interim figure was just £1m ahead at £49.6m, and was subject to tax at £14m against £21m.

After minorities at £24m (£17m), attributable profits for the half year came out at £22.6m, down from £23.5m. This was after a below-the-line debit of £1.6m representing exchange rate translation differences. Earnings for the half year came to 60.03p per share (£2.19p).

In the second quarter, outside Europe and North America, the group achieved widespread



Sir Kenneth Durham, chairman of Unilever

profit gains, including a positive first time contribution from the half from Brooke Bond, which was acquired last year.

Second quarter sales came to £4.55m against £4.09m, a rise of some 11 per cent and produced operating profits of £2.2m (£2.0m), which was added £180k (£13m) from the share of associated companies' profits. This increase largely reflects the inclusion of the results of Brooke Bond.

Other income from fixed investments came to £3m (£2m)

in the quarter, and interest receivable and similar income added more at £29m against £21m, but interest charges rose from £42m to £53m. The higher net interest costs were primarily due to acquisitions. Unilever made 10 purchases of various assets during the first half, and disposed of 11 companies.

The second quarter saw a reduction in the tax charge from £1.24m to £1.11m mainly from lower tax rates in the UK, and there was a debit of £1m (£1m) as a tax adjustment for previous years. Minority interests

accounted for £13m (£10m). At end of quarter exchange rates are applied to the attributable profit, it decreases by 7 per cent in sterling, increases by 4 per cent in dollars, and is virtually unchanged in Dutch guilder. An extraordinary debit of £10m reflects the translation of the results to end of quarter exchange rates, leaving attributable profits at £12m (£8m).

Combined earnings per share of the UK and Dutch sides of the group are shown at £4.46p against 3.71p for the three-month period.

The directors say that the strategy of concentrating the core businesses of the group made good progress during the half year. The largest acquisition was the flavours and perfume business Norda, with operations in the U.S. and in Canada, and it also entered into a joint venture with a detergents and personal products company in Korea.

The main disposals made during the period were the transport and distribution portfolio and SDF Group, the building materials company Kennedy's, and the floor and wall coverings company Nairn International. The most recent sale, announced last week, was that of the UK and Irish operations of the timber company Mallinson-Denny.

See Lex

### Net assets up 15% at Group Investors

THE BASIC net asset value for Group Investors at the year-end was 15 per cent higher than a year previously. The trust reported, having taken prior year-end profit of £14.2m at June 30, 1984, an increase with £27.2m. The figure fully diluted for options outstanding was £28.8m (£29.1p).

The directors are proposing a final payment of 2.5p per share in its profits to £2.4m on a turnover of £17.6m. To finance the present deal BBA has arranged a U.S. dollar euro-currency facility which will be borrowed by a wholly-owned subsidiary. It will take BBA's gearing to about 40 per cent due to the acquisition of the assets being acquired is £14m (£10.1m).

It is expected that £13m will be payable on completion on August 31, leaving £500,000 to be paid within 90 days. With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

part to the withdrawal from the Canadian market of A. G. Goodrich which had been the second biggest company in the sector after Goodyear. A turnover of \$33.7m is expected this year.

Mr Ray Mitchell, BBA group finance director, said "With the Unilever companies would be merged with Scandura, BBA's principal U.S. company, which manufactures and distributes pvc-coated belting in North America.

"The merger will provide several opportunities for squeezing out costs and will result in a new company with a total turnover of \$50m to \$60m a year—putting it number two behind Goodyear," he said.

Scandura last year made a profit of a little less than \$2m on a

turnover of \$20m.

The company said that the acquisition will enhance Scandura's product range to serve such markets as overhead coil conveying, sand and gravel transport, and heavy duty bulk materials handling.

BBA last year saw a slight drop in its profits to £2.4m on a turnover of £17.6m. To finance the present deal BBA has arranged a U.S. dollar euro-currency facility which will be borrowed by a wholly-owned subsidiary.

It will take BBA's gearing to about 40 per cent due to the acquisition of the assets being acquired is £14m (£10.1m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

### Rustenburg Holdings

### Platinum Limited

Incorporated in the Republic of South Africa  
REG. NO. 05/22452/06

The thirty-ninth Annual General Meeting of the Company will be held in Johannesburg on October 18, 1985

Extracts from the Chairman's Review by Mr G H Waddell.

For the year to June 30, 1985, profits after taxation of R156.9 million were the highest yet attained in rand terms and increased by 56.7% over the R100.1 million earned in the previous year. This substantial growth in profits had its origins in higher rand prices for both the platinum group metals and the base metals produced by Rustenburg; in greater volumes of sales of platinum, palladium, gold and base metals; in the continued strict control of costs by management; in increased productivity; and was achieved despite the imposition by the Minister of Finance of South Africa in the budget of what I hope is accurately described as a temporary surcharge of 15% on the rate of tax paid by mining companies other than gold and diamond mining companies.

Rand revenues from the sale of metals for the year to June 30, 1985 increased by R25.8 million to R1063.1 million by 31.7% over the comparable figure of R807.3 million in the previous year. This is, in fact, the first time annual rand revenues have exceeded a billion rand.

All of Rustenburg's mines continued to improve both their efficiencies and productivity, and numerous new records were established from which those who are responsible for the management of the mines can draw great credit.

The outcome was that profit after taxation rose by 56.7% to R156.9 million. The interim dividend was doubled to 35 cents per share, both to reflect the improved results at that stage and to reduce the disparity between the interim and final dividends. Your Board also decided to increase the final dividend by 12.5 cents per share to 55 cents per share. Dividends declared therefore increased in the aggregate by 50% to 90 cents per share from the 60 cents per share declared in 1984.

It is a source of comfort given the nature to date of the platinum mining industry, that the Group has no debt and R233.9 million of cash with which to face the future.

**PLATINUM PRICE.** The average free market dollar price of platinum for the three months to March 31, 1985 declined substantially to US\$300, a fall of 25% as compared with the comparable figure for the previous year of US\$400. This must be seen against the background that imports of platinum into Japan rose by 25.7% in 1984, and Tanaka Kikinzoku Kogyo KK with whom our sole marketing agents Johnson Matthey PLC have an exclusive agreement on behalf of Rustenburg as a producer, are hopeful that this will continue throughout the balance of this calendar year.

In West Germany it is estimated that during 1984 there was overall a 3% decrease in sales of jewellery, but in contrast to that, the sales of platinum jewellery are estimated to have increased in terms of both number of units sold and in value by more than 40%.

Sales of platinum ingots or bars within the United States of America picked up and, indeed during the first five months of 1985 were running at levels significantly above those of last year.

In Japan, where there has been a tradition over the years of buying precious metals for investment and hoarding, demand also increased significantly as the price per gram of platinum in yen fell and Tanaka Kikinzoku Kogyo expect this to continue for the balance of the year as a whole, demand will approximate the quantities absorbed in the previous year.

Most of the other metals apart from platinum, despite the recent drop in their dollar prices from earlier levels, did very well at least in rand terms during the financial year under review, and indeed the rand revenues from by-metals showed a substantial increase.

**MINING.** There were a number of new developments of importance at the mines during the year under review. At Union Mine, where intensive examinations of the potential to mine UG2 ore have finally been carried out over a number of years, the decision has finally taken to proceed. Ivan plant has been modified to be able to treat the ore which has different characteristics from Merensky Reef and production has in fact already commenced on a significant scale, albeit minor, in relation to the throughput of ore in the aggregate at Union. The mining of UG2 offers, in view of its prevalence throughout the areas mined by Rustenburg, a very important possible extension, as and when it might be required, to the lives of the present mines although Merensky Reef remains for the present the preferable source of ore.

**AUTOMOBILE INDUSTRY.** The United States Bureau of Mines estimate is that the American automobile industry purchased 722,000 ounces of platinum in the year to March 31, 1985. In Japan, the automobile industry sold domestically 3,063,395 cars and at 3,980,619 slightly more by way of exports. Both of these automobile industries continue to be of substantial importance for the producers of platinum.

The proposals of the European Economic Community has now drafted a distinction both between the emission control standards required for cars of different engine sizes within Europe and the dates when the different standards will come into force. The chances of a major expansion in demand, particularly for platinum and rhodium, to meet the requirements of West European automobile manufacturers have improved yet further and unless there are changes of substance to the present

Johannesburg, August 7, 1985

Copies of the Report and Accounts, which include the full Chairman's Review, are obtainable from the London Secretaries: Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XK.

### Acquisitions give sales boost to Rotaflex

IN THE first half of 1985 Rotaflex, the light fitting manufacturer, has benefited from the extra sales provided by new acquisitions but not yet from their profits.

Sales, therefore, have expanded from £17.39m to £25.12m—equal to a 44 per cent rise—but profit before tax was ahead from £1.28m to £1.44m, or an increase of 12.1 per cent.

Sales in the traditional business continued to grow but most of the increase was derived from Le Dauphin (of France) and Falks (of South Africa), whose acquisitions were completed only in the second half of 1984.

Net margins in the traditional business have been maintained. The new businesses are not expected to contribute significantly to profits until 1986.

Subject to no undue adverse influences from outside factors, such as currency fluctuation, the directors express confidence that the group will achieve a satisfactory result in the second half. They are raising the interim dividend to 14p net (1.2p)—total for 1985 to £4.5p paid from profits of £2.70m.

The directors are particularly encouraged by the sales from both Concord and Luminance on new products and business,

which are complementary to the company's area of focus, continues.

Moves by Luminance and Luminance and the integration of Le Dauphin and Falks with the existing businesses are going well and will be completed during the autumn. Accordingly, the company is on track to meet the targeted results for 1985.

After tax of £24.89m (£33.7m) for the half year, the net profit came out of £1m (£945,000) for earnings of 8.6p (8p) per share. In addition there is £24.006 (£28.000) written off goodwill.

Moves by Luminance and Luminance and the integration of Le Dauphin and Falks with the existing businesses are going well and will be completed during the autumn. Accordingly, the company is on track to meet the targeted results for 1985.

After tax of £24.89m (£33.7m) for the half year, the net profit came out of £1m (£945,000) for earnings of 8.6p (8p) per share. In addition there is £24.006 (£28.000) written off goodwill.

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

which are complementary to the company's area of focus, continues.

Moves by Luminance and Luminance and the integration of Le Dauphin and Falks with the existing businesses are going well and will be completed during the autumn. Accordingly, the company is on track to meet the targeted results for 1985.

After tax of £24.89m (£33.7m) for the half year, the net profit came out of £1m (£945,000) for earnings of 8.6p (8p) per share. In addition there is £24.006 (£28.000) written off goodwill.

Moves by Luminance and Luminance and the integration of Le Dauphin and Falks with the existing businesses are going well and will be completed during the autumn. Accordingly, the company is on track to meet the targeted results for 1985.

After tax of £24.89m (£33.7m) for the half year, the net profit came out of £1m (£945,000) for earnings of 8.6p (8p) per share. In addition there is £24.006 (£28.000) written off goodwill.

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000), net attributable revenue came out at £39.9m (£39.6m).

With tax at £171,000 (£155,000),

## UK COMPANY NEWS

## Bell chief withdraws profits statement

By Tim Wood

MR RAYMOND MIQUEL, chairman of Arthur Bell & Son, the Scotch whisky distiller, yesterday withdrew a statement he had made forecasting Bell's profit growth in the next five years.

Later in the day Mr Peter Tyrie, a fellow director of Bell, totally broke ranks and announced he had written to Bell's shareholders urging them to accept a £260m bid by

Guinness for Bell. In the absence of an alternative bid.

Mr Miquel, who is fiercely

fighting the Guinness bid, had been reported in the Glasgow Herald on Monday as saying that Bell was looking to double its profits in the next five years as it had done in the previous five.

Mr Miquel's statement yesterday came from a comment which was not intended and should not be regarded as a profits forecast within the terms of the City Code on Takeovers and Mergers, since it cannot be corroborated as required by the Code, and accordingly is withdrawn.

Bell recently was asked by the Take-over Panel to "clarify" two statements it made in its rejection document of the original Guinness bid after complaints to the Panel.

Bell also said yesterday that it was, with the exception of

Mr Peter Tyrie, director of the Gleneagles Hotel division, wished to make it clear it was seeking an alternative offer.

Early this week there was some confusion as to whether or not Bell was actively seeking an alternative offer or wanted to remain independent.

Mr Tyrie yesterday carried out his threat to write to Bell's shareholders outlining why he thought Bell should accept the Guinness offer in the absence of a suitable better offer emerging.

If Bell is acquired by

Guinness, he said, "it will be a major component in a strong group with diverse interests which would add strength and depth to the existing management of Bell."

He added: "I believe that Bell as an investment is in a mature phase and that there must be real doubt whether it will, in the foreseeable future, achieve sufficient growth of earnings to justify the price earnings multiple placed on it in ordinary shares by the Guinness offer."

**Yearlings unchanged**

The interest rate for this week's issue of local authority bonds is 11 per cent unchanged from last week and compares with 10 per cent a year ago.

A full list of issues will be published in tomorrow's edition.

## Saxon Oil shares soar against merger confusion

By Martin Dickson



Mr. Graham Hearne, chief executive of Enterprise Oil.

that it could implement all the conditions of the offer.

However, the two companies held further talks yesterday. Mr Julian West, managing director of Enterprise, said his company would now try to clear up points Saxon wanted resolving in its offer to get its board to recommend an offer from Enterprise.

Mr John Heaney, chief executive of Saxon, said if Enterprise's offer was accepted the price was inadequate and because Enterprise had not demonstrated

it as quickly as possible and offered it to shareholders not to treat it casually.

However, there was anger in both the Saxon and Charterhouse camps last night at the late entrance of Enterprise and the fact that news of its approach had been released at the insistence of the Takeover Panel—though it felt short of a bid.

Mr Tony Craven Walker, managing director of Charterhouse, accused Enterprise of spoiling tactics. "To come in at the 23rd hour and the 58th minute when it could have done so a month ago is quite astonishing," he said.

A formal statement by Charterhouse added that any "serious offer" for Saxon would not have been left to the last moment and that the 58th minute was not long enough to value Saxon's assets.

It said it would not be in the interests of Saxon or Charterhouse's shareholders to accept a cash offer at such levels when the prices of oil shares were temporarily depressed.

Mr West said Enterprise had first approached Saxon some months ago and been rejected.

It had decided to try again after studying the merger proposals with Charterhouse and deciding that there would be even more benefits in a Saxon-Enterprise link-up.

## Investors Capital net assets slip

Investors Capital Trust

is the UK's largest investment

trust, with a net asset value of £1.25m, as at June 30 1985. This was 2.2 per cent lower than the figure of £1.26m six months earlier.

Pre-tax profits for the six months to June 30 were little changed at £1.53m, against £1.59m for the half year to May 31 last time. The company changed its year end in 1984 from November 30 to December 31.

Earnings per share were virtually unchanged at 1.59p (1.59p), while the net interest and dividend is stepped up from 1.5p to 1.65p—last year's final was 2.45p.

The board says rates of dividend growth have continued to exceed inflation in the major markets where the company is invested.

The company's principal objective continues to be capital growth and through that, an increase in income and the maintenance of the real value of annual dividends.

Good performances were achieved in the U.S., Germany and Holland, but much of the rise in the Japanese markets occurred in sectors where the portfolio was under-represented.

In anticipation of the U.S. dollar's weakness, part of the company's dollar portfolio was hedged against the yen and the Canadian dollar. The strength of the pound against these latter currencies also substantially reduced the potential benefit of that hedging.

In the UK, equity prices marked time and the electronics sector was weak.

Investment income for the six months dropped from £2.59m to £2.18m and interest received and other income was lower at £223,000, against £285,000.

Interest charges however, showed a sharp reduction from £1.09m

to £194,000.

The company will shortly be writing to shareholders—further to its circular in May—with details of its board's plans for the trust's future management.

The trust is to train its existing in-house management team into a separate management company, which will be headed by Mr. David Williams, former deputy managing director of the Murray Johnston fund management group.

The company believes the change will allow it to attract and keep skilled staff more easily and also to extract additional funds for it to manage.

In 1984, the company's

Capital Gearing against £2m bid

In a letter to shareholders, Mr. G. W. Harding, the chairman of Capital Gearing Trust, informed them of the terms of the £2m bid from Harvard Securities.

He told them that the directors and management team were not interested in exchanging their shares in the company for shares in Harvard, and neither did they wish to accept the cash alternative offered by the company.

The company is to write to shareholders again after Harvard's offer document has been received. In the meantime, the directors and their families—who, together with associates, control more than 50 per cent of the shares—do not propose to take any action over their shares and are urging shareholders to follow this example.

Investors

Financial Information

now available by return

of the following companies have notified

dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends, financial indications are not available as to whether the discussions are in private or final and the sub-divisions shown below are based mainly on last year's timetable.

Should you wish to sell a holding of nearly 15 per cent might be an attractive prospect for any potential buyer.

## Dealings restart in Acorn Computer

DEALINGS recommended yesterday in Acorn Computer shares, which was suspended in June following the restructuring which gave the Italian office products group Olivetti a holding of 80 per cent.

The newly consolidated 10p shares opened at 24p, compared with a suspension price of 11p, and closed at 64p. Last year, before its troubles became apparent, Acorn shares reached a high of 197p.

Mr. Tony Craven Walker, managing director of Charterhouse, accused Enterprise of spoiling tactics. "To come in at the 23rd hour and the 58th minute when it could have done so a month ago is quite astonishing," he said.

A formal statement by Charterhouse added that any "serious offer" for Saxon would not have been left to the last moment and that the 58th minute was not long enough to value Saxon's assets.

It said it would not be in the interests of Saxon or Charterhouse's shareholders to accept a cash offer at such levels when the prices of oil shares were temporarily depressed.

Mr West said Enterprise had first approached Saxon some months ago and been rejected.

It had decided to try again after studying the merger proposals with Charterhouse and deciding that there would be even more benefits in a Saxon-Enterprise link-up.

Mr. Abell said the stake was being held as an investment, and that was the main reason for making a bid. He declined to say what price the shares had been bought, but indicated that there had been a discount to Raine's opening price yesterday of 21p.

Should you wish to sell a holding of nearly 15 per cent might be an attractive prospect for any potential buyer.

## BOARD MEETINGS

The following companies have notified

dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends, financial indications are not available as to whether the discussions are in private or final and the sub-divisions shown below are based mainly on last year's timetable.

Should you wish to sell a holding of nearly 15 per cent might be an attractive prospect for any potential buyer.

## SYDKRAFT SYDSVENSKA KRAFTAKTIEBOLAGET US\$15,000,000 9 1/4% BONDS 1986

HAMBROS BANK LIMITED hereby gives notice that in accordance with the terms and conditions of the above issue, the redemption for 15th September 1985 has been made by the purchase of US\$30,000,000 (nominal) and the under-mentioned bonds amounting to US\$2,797,000 (nominal) were delivered on 10th August 1985 for redemption as per.

The outstanding balance after the 15th September 1985 redemption is US\$13,000,000 (nominal).

The above bonds may be presented to Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA, or to the other Paying Agents named on the bonds.

Bonds surrendered should be attached to an unprinted coupon opposite thereto. Coupon date 15th September 1985 should be stamped and collected in the usual manner.

For payment in London, bonds will be needed on any business day and must be left three clear days for confirmation.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

Bonds will be paid on the 15th September 1986.

B

**GOLD FIELDS GROUP**  
**NEW WITS LIMITED**  
(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 30 June 1985	Year ended 30 June 1984
	£'000	£'000
<b>REVENUE</b>		
Income from investments	12,078	10,456
Surplus on realisation of investments	1,047	21
Interest and sundry	751	428
	13,876	11,005
<b>EXPENDITURE AND WRITE OFF</b>		
Exploration	100	231
Administration	550	500
Written off	15	358
	1,665	1,089
<b>PROFIT BEFORE TAX</b>	13,271	10,016
Tax	396	—
<b>PROFIT AFTER TAX</b>	12,845	10,016
Minority shareholders' interest	226	152
<b>PROFIT ATTRIBUTABLE TO MEMBERS</b>	12,619	9,864
Unappropriated profit, brought forward	148	162
	12,767	10,016
Less:	56	148
Dividends declared	8,086	5,776
Interim 22.0c (18.0c)	2,541	2,079
Final 48.0c (32.0c)	5,545	3,697
Transfer to reserves	4,625	4,102
Unappropriated profit, carried forward	56	148
<b>ANNUAL REPORT</b>	1,457	1,533
The annual report will be posted to members in September 1985.		
<b>DECLARATION OF FINAL DIVIDEND</b>		
Dividend No. 69 of 48 cents per share in respect of the year ended 30 June 1985 has been declared in South African currency, payable to members registered at the close of business on 30 August 1985.		
Warrants will be posted on or about 1 October 1985.		
Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.		
Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 30 August 1985 in accordance with the abovementioned conditions.		
The register of members will be closed from 31 August to 6 September 1985, inclusive.		
By order of the Board		
per pro CONSOLIDATED GOLD FIELDS PLC		
London Secretaries		
Mrs. G. M. A. Gladhill, Secretary		
United Kingdom Registrar		
Hill Samuel Registrars Limited		
6 Greencoat Place		
London SW1P 1PL		
13 August 1985		

**GOLD FIELDS GROUP**  
**GOLD FIELDS PROPERTY COMPANY LIMITED**  
(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 30 June 1985	Year ended 30 June 1984
	£'000	£'000
<b>TURNOVER</b>	12,761	16,907
<b>REVENUE</b>		
Income from rent and sale of property	5,320	6,347
Income from investments	875	923
<b>Surplus on realisation of investments/mineral rights</b>	1,200	3,375
Income from dumps, interest and other sources	2,040	1,966
	9,435	12,611
<b>EXPENDITURE</b>		
Administration, property and general	1,698	1,459
Interest	37	65
<b>PROFIT BEFORE TAX</b>	7,700	11,087
Tax	2,783	4,227
<b>PROFIT AFTER TAX</b>	4,917	6,860
Unappropriated profit, brought forward	305	209
	5,222	7,069
Less:	5,100	6,764
Dividends declared	2,454	2,352
Interim 9.0c (—)	920	—
Final 15.0c (23.0c)	1,534	2,352
Transfer to reserves	2,446	4,412
Unappropriated profit, carried forward	122	305
Earnings per share—cents	48	67
Dividends per share—cents	24	23
Times dividends covered	2.0	2.9
Net assets (as valued) per share—cents	454	395
<b>ANNUAL REPORT</b>		
The annual report will be posted to members in September 1985.		
<b>DECLARATION OF FINAL DIVIDEND</b>		
Dividend No. 125 of 15 cents per share in respect of the year ended 30 June 1985 has been declared in South African currency, payable to members registered at the close of business on 30 August 1985.		
Warrants will be posted on or about 1 October 1985.		
Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.		
Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 30 August 1985 in accordance with the abovementioned conditions.		
The register of members will be closed from 31 August to 6 September 1985, inclusive.		
By order of the Board		
per pro CONSOLIDATED GOLD FIELDS PLC		
London Secretaries		
Mrs. G. M. A. Gladhill, Secretary		
United Kingdom Registrar		
Hill Samuel Registrars Limited		
6 Greencoat Place		
London SW1P 1PL		
13 August 1985		

**METALS SURVEY**

Publication Date: October 15, 1985

Copy Date: October 2, 1985

The Financial Times intends to publish a Survey on the Metals Market. Subjects which will be discussed include pricing and exchange rate fluctuation, options and managed funds. The role of the market maker will also be covered.

For advertising details contact:

MARIE LANIGAN

Financial Advertising Dept.

FINANCIAL TIMES LTD.

Bracken House, 10 Cannon Street, London EC4P 4BY

Tel: 01-245 8000 ext 4181

**UK COMPANY NEWS**

Stefan Wagstyl on the outlook for Britain's independent computer leasing companies

**Facing up to the IBM challenge**

TRADE IN the shadow of IBM, Britain's independent computer leasing companies have learnt to jump quickly whenever the Big Blue makes a move.

Their reactions are likely to be tested severely in the coming months as IBM, which has recently suffered two consecutive falls in quarterly profits, steps up the pace in an effort to boost

sales up to 10% a year.

The independents, with lease portfolios made up almost entirely of IBM equipment, will be striving to make the most of IBM's launch of its first big mainframe range for four years—the 3090 series, popularly known as the Sierra—which is due to arrive in Europe in October.

The challenge will be particu-

larly acute in the UK, where IBM is expanding its own lease activities. IBM UK Financial Services last month announced a new lease, cheaper and more flexible than its previous offerings.

IBM only started leasing in 1981 in the U.S. and in 1983 in the UK, but is already the world's largest lessor of its own equipment. In the UK last year its leases accounted for more than £70m in equipment sales of about £750m. This year it hopes for substantially more.

The independents also face continuing competition from their traditional rivals, the big banks, which dominate the UK leasing industry, and accounted for an estimated £200m of IBM equipment last year.

But the specialist computer leasing companies, also sharing a UK turnover last year of about £200m, are in a confident mood. "Business is steaming ahead," says Mr Harry Mitchell, chairman and chief executive of United Leasing, one of the UK's five quoted computer leasing companies. United has just signed the largest deal in its history, \$10m, representing 10% of the Royal Bank of Scotland for two Sierra machines.

However, despite the fact that the independents have seen their sales rise by nearly 50% per cent a year according to broker Rowe and Pitman, there are those in the City who are not so sanguine about their future.

One analyst who says that he is impressed with the independents' recent performance, adds that he still has "sleepless nights" about specialist computer leasing.

The root cause of these con-

cerns is a fear that the indepen-

dents are constantly vulnerable

to attack from IBM, which

might change its marketing

strategies without warning.

It is compounded by a belief that

most leasing companies are too

optimistic in the way they

account for their profits.

The independents have got this wrong in the past. The industry was born in the 1960s with IBM's launch of the world's first mutually compatible family of computers, the System/360. The machines were so successful that leasing companies wrote off over anything up to 10 years. In fact, although some independents were caught out by the launch of the

System/370, compounded by a slowdown in IBM's

growth, the leasing companies at the end of the 1970s with the introduction of the 308X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

Memories of this bankruptcy are still vivid in Landco because it rebounded in 1980 from its losses in 1979.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It is even larger disaster struck the leasing companies at the end

of the 1970s with the introduction

of the 370's replacements, the 380X and the 4300 series. The major casualty was ITEL, which collapsed with losses of \$445m.

It



## **AUTHORISED UNIT TRUSTS & INSURANCES**

## **INSURANCE, OVERSEAS & MONEY FUNDS**

## **Money Market Trust Funds**

AMERICAN MUSEUM  
30 CO7 Road. EC1V 3AV  
T-9178888 Acc 111375 850  
Mon. Ind. Chg 1125 840

---

**OPTIONS**

### OPTIONS

Electronics	1	Marks & Spencer
Midland-Lyons	16	Midland Bk.
AT	52	NEI
OC Grp.	25	Nut West Bk.
SR	16	P & O Did.
TR	52	Plessey
London	14	Polly Peck
Barclays	48	Racial Elect.
Electecan	32	RHM
Blue Circle	45	Rank Org Drd
BSI	35	Reed Metal
Powergen	20	Sears
British Aerospace	33	TT
British Telecom	33	Tesco
Rowes L.J.	3	Thorn EM
Marconi Org	39	Trust Houses
Barclays	44	Torstar News
Charter Corp.	28	Unilever
Monte Union	19	Vickers
British Gas	12	
Electebanks	17	Property
Distillers	28	Brd. Land
NFC	8½	Cap Countries
Motor Accidents	45	Land Secs.
General Electric	26	MEPC
Avon	85	Peacock
British Mart	23	Samuel Fisons
US 'A'	60	Gas
Barclays	60	Brist. Oil & Min.
KN	17	Brst Petreoleum
Lawson Tsl.	17½	Burnah Oil
Lawson Sled.	1	Charterball
BP	60	Premier
Imperial	28	Shell
Legal & Gen	50	Tricentrol
Elect. Service	28	Ultramar
Boys' Bank	45	Mines
Loca Inst.	12	Coors Gold
Electronics	24	Lonrho
Electronics	24	Rio T Zinc

## COMMODITIES AND AGRICULTURE

## Malaysia may seek halt to rubber price support

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA, the world's largest rubber producer is expected today to propose the suspension of buffer stock buying operations by the International Natural Rubber Organisation. This follows continued weakness in the rubber market which resulted in the price falling below the "must buy" level yesterday for the first time.

The price fall of 0.46 cents to 0.25 cents below the "must buy" level of 165 Malaysian/Singapore cents a kilo was brought about by traders anticipating an INRO decision to revise its intervention prices downwards.

However, the 33-session INRO Council meeting, which opened yesterday in Kuala Lumpur decided to defer an automatic three per cent price cut until today when delegates will review action to be taken now that the buffer stock manager has accumulated more than 320,000 tonnes of rubber.

Under the International Rubber Agreement, a three course of action is taken when the surplus exceeds 300,000 tonnes: a 3 per cent price cut, a slower rate of buying or a suspension of buffer stock operations altogether.

"We would like INRO to review the present situation in a wider context, rather than focussing just on the price cut," said a member of the Malaysian delegation.

It is understood that Malaysia feels that continued buying by the buffer stock manager would not help to prop up prices because of speculative selling in anticipation of yet another price cut when the stockpile hits the 400,000 tonne mark.

Malaysia is believed to be encouraged by events in the tin market, where prices have firmed up rather than dropped since the International Tin Council gave its buffer stock manager the discretion to operate below the floor price.

While there is no provision in the rubber pact for its buffer stock manager to do likewise, the Malaysians are thought to feel that suspension of buffer stock buying would remove an element of predictability from the agreement which has up to now encouraged speculative short-selling.

Consumers, however, are likely to see the Malaysian proposal as a ploy aimed at getting them to defer the 3 per cent

price reduction which they want, or to agree to a lesser cut.

They are unlikely to welcome discussions on a possible suspension of buffer stock buying, on the grounds that there is no precedent for such an action against a background of falling prices.

Yesterday's INRO session was devoted mainly to a discussion of how to finance an additional contingency stockpile of 150,000 tonnes which may be set up once the buffer stock exceeds 400,000 tonnes.

Delegates considered the feasibility of allowing INRO to borrow money from commercial banks to finance the stockpile and the legal implications of INRO using its assets as collateral. They also discussed how member governments might guarantee such loans.

There is a growing feeling among both producing and consuming members of the agreement that financing the buffer stock has become a heavy burden. Members are far from contributing Ringgit 700m.

Consumers, however, are likely to see the Malaysian proposal as a ploy aimed at getting them to defer the 3 per cent

## Whaling ban angers Soviet Union

By Our Commodities Staff

THE SOVIET Union has attacked the International Whaling Commission's ban on commercial whaling, which takes effect later this year, claiming it was motivated by political considerations.

Mr Ivan Nikonorov said the ban was "incorrect and scientifically unfounded." The opinion of the Commission's scientific committee was not taken into account he said.

At last month's IWC meeting in Bournemouth Mr Nikonorov said the Soviet Union would halt whaling in the Antarctic for the 1987-88 season for "technical reasons." It has formally objected to the IWC ban, along with Japan and Norway, so will not be bound by it.

• INDIA has scrapped its minimum export price for packed tea following the abolition of the tea minimum at minimum export price for packed tea following the abolition of the tea minimum at

the weekend, writes P. C. Mahanti in Calcutta.

Financial futures, on the other hand, are booming.

According to the Commodity Futures Trading Commission's 1984 annual report, volume in financial contracts has risen from little more than 800,000 in 1977 to a staggering 51m last year—slightly more than a third of the total 143.5m contracts traded on all 18 US exchanges.

In fact, nearly half the financial futures volume on the Chicago Board of Trade is in soybeans, maize and wheat

which were, in its own

exchange, it would be the third largest single futures market in the country.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the Chicago Mercantile Exchange, they represent about 90 per cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

Chicago Mercantile Exchange,

they represent about 90 per

cent of total volume.

The decline in agricultural

futures can be partly explained

by business trends which have

been developing for years: over-

production, falling farm profits,

small farm foreclosures and

the concentration of pro-

ductive capacity into highly

efficient agribusiness conglom-

erates.

Financial futures now com-

prise 68 per cent of total trad-

ing at the Board, while at the

## CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

## Dollar eases in nervous trading

The dollar lost ground in currency markets yesterday but is managed to hold above important chart levels. The market had expected dollar sales to accelerate once the U.S. unit had broken through a level of DM 2.7800 against the D-mark. Early trading tended to confirm this view as the dollar continued to ease after overnight losses in New York.

However there was a small recovery after the start of U.S. trading although the afternoon in London was witness to rather erratic and thin conditions, following the release of U.S. retail sales figures. The latter showed a rise of 0.4 per cent in July but was offset against a revised June figure, registering a fall of 1.4 per cent from a previous fall of 0.8 per cent. Federal funds were relatively high although the Federal authorities later intervened to add reserves. Against this background the dollar retained in bearish mode.

The dollar closed at DM 2.7840 down from DM 2.7876 on Monday. It touched a low of DM 2.7675. Against the Swiss franc it slipped to SwFr 2.2975 from SwFr 2.3040 and FFr 8.51 from FFr 8.5225. It was steadier

against the yen however at 2.725 from 2.727. On Bank of England figures, the dollar's exchange rate index fell from 137.1 to 136.5.

**STERLING** — Trading range against the dollar in 1985 is £1.6200-1.6525. July average 1.6278. Exchange rate index rose to 82.9 from 81.6, having touched a best level of 82.3 in the early afternoon. The £14m loss was 7.9.

The pound rose from the dollar's weaker trend and showed a small improvement against many European currencies. It appeared to be much more resistant to recent speculation over £1 price although the possibility of further cuts in UK interest rates to limit the extent of any firm trend.

Interest rates needed to limit the dollar's fall to a level of £1.6280-1.6320, a rise of 60 points. Against the D-mark it improved to DM 3.3750 from DM 3.3875 and SwFr 2.30 from SwFr 2.1880. It was also higher against the French franc from FFr 11.54 from 11.62 and Yen 130.25 from 131.12.

D-MARK — Trading range against the dollar in 1985 is DM 2.7450-2.7840. July average 2.7414. Exchange rate index 126.7 against 119.6 six months ago. The dollar fell to its lowest level since June 1984 in Frankfurt yesterday. It was fixed at 1.6200-1.6525. The £14m loss was 7.9.

The pound rose from the dollar's weaker trend and showed a small improvement against many European currencies. It appeared to be much more resistant to recent speculation over £1 price although the possibility of further cuts in UK interest rates to limit the extent of any firm trend.

## EMS EUROPEAN CURRENCY UNIT RATES

	Aug 12	Prev. close
Ecu current rates	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2
adjusted rates	81.9	81.2
Index	81.9	81.2
% change from	81.9	81.2
last month	81.9	81.2
% change from	81.9	81.2





## LONDON STOCK EXCHANGE

## MARKET REPORT

## Equity leaders react after initial firmness on revived interest rate optimism

## Account Dealing Dates

First Declaration Day  
July 28 Aug 8 Aug 9 Aug 12 Aug 12 Aug 29 Aug 30 Sept 9 Sept 2 Sept 12 Sept 13 Sept 23

"New-time" dealings may take place from 9.30 am on business days

Government securities and leading equities were both initially firmer yesterday as interest rate optimism resurfaced quite strongly in the wake of renewed strength of sterling—the pound gained over a cent against the dollar at one stage to touch \$1.4000 before trading just below the \$1.4000 level for most of the session. A few minutes later, West's chief economist that clearing bank base rates should fall to between 10 and 10.5 per cent by the end of the year also helped to reinforce market expectations for a further base rate cut, the prospect of which seemed fairly remote last week as the pound fell back.

Government received a further boost following details of the sharp recovery in Building Society receipts last month to the highest level since January. This in turn gave rise to expectations that the Building Societies Association would cut the mortgage rate by a full percentage point when it meets tomorrow.

However, the firmer inclination of blue chip industrials was not maintained and quotations drifted lower on lack of follow-through. The market was also shaken by a couple of price movements, up at 88p, down at 67p. GRC decided the same amount to 747p and Sun Alliance cheapened to 500p. Life issues gained ground in places. Legal and General put on 14 to 70p, while Equity and Law rose 8 to 8.5p.

Business in British new shares contracted and the price slipped to 117p before picking up to close only a couple of pence cheaper on balance at 120p; the old shares softened to 200p. Aberdeen Steel Houses, which staged a successful debut in the United Securities Market on Monday, firmed 3 to 76p compared with the placing price of 67p.

Illustrating the equity market's performance, the FT Ordinary share index, after showing an initial improvement of one point, gradually weakened to stand 4.2 points lower at 950.5 before closing the session 1.6 down at 950.6, thus virtually wiping out all of Monday's rise.

Government stocks were featured by activity in medium-dated issues. These were particularly popular as operators switched from the longs following the Government's move the previous day in accelerating the pace of its official borrowing programme by announcing its largest funding exercise since early June—\$200m of Treasury 94 per cent 200p on sale tomorrow at 200, with £25 payable on application and the remainder on September 9.

Gains in the medium ranged to nearly 1 point, but the switching operations left longer-dated stocks well off that amount to places. Meanwhile, short-dated maturities reflected the pound's impressive performance and cheaper money bodes to close with a further rise. Short-dated, while index-linked issues continued firmly, recording fresh gains to 1. Sentiment in the

bonds was seemingly unaffected by details of the U.S. retail sales figures for July.

An otherwise routine session in the banking sector was enlivened after-hours by sudden news for merchant bank J. Aron & Co, which advanced 4 to 104p on takeover speculation.

Guinness Peat were also subjected to late support and closed 1p dearer at 681p. The major clearing banks gained ground as buyers showed renewed enthusiasm. Lloyds, at 420p, and Midland, at 385p, rose 10 pence, while Barclays put on 7 to 385p.

Prudential, a duller, a couple of pence on concern about the civil unrest in South Africa, rallied 15 to 460p following the Board's proposal to issue up to U.S.\$300m undated primary capital floating rate notes in return for the same amount of guaranteed perpetual

shares. The Leisure sector displayed several bright spots. Renewed demand in a restricted market lifted First Leisure 7 to 31p. Sunbeam announced new prompted a couple of pence gains, up at 88p. Horizon gained 8 to 120p helped by the pound's latest strength and newsletter comment.

Public relations concern Good Relations encountered further profit-taking and dipped 11 more in the absence of any big news, while Scottish and Scottish and London Standard-Spink have recently been mentioned as possible suitors.

Revived interest rate optimism combined with recent reports of record office lettings in Central London provided the spur for Properties and quotations moved sharply higher after casting off a couple of pence to close well below the best. MEPC touched 207p, prior to closing only 2 pence dearer on balance at 202p. Land Securities settled 2 higher at 300p, after 300p. British Land, after early progress to 180p, reacted to 150p for a net fall of 2, but Hazelwood Estates were 8 higher at 44p and Hammerson A 5 dearer at 40p.

Illustrating the equity market's performance, the FT Ordinary share index, after showing an initial improvement of one point, gradually weakened to stand 4.2 points lower at 950.5 before closing the session 1.6 down at 950.6, thus virtually wiping out all of Monday's rise.

Government stocks were featured by activity in medium-dated issues. These were particularly popular as operators switched from the longs following the Government's move the previous day in accelerating the pace of its official borrowing programme by announcing its largest funding exercise since early June—\$200m of Treasury 94 per cent 200p on sale tomorrow at 200, with £25 payable on application and the remainder on September 9.

Gains in the medium ranged to nearly 1 point, but the switching operations left longer-dated stocks well off that amount to places. Meanwhile, short-dated maturities reflected the pound's impressive performance and cheaper money bodes to close with a further rise. Short-dated, while index-linked issues continued firmly, recording fresh gains to 1. Sentiment in the

## FINANCIAL TIMES STOCK INDICES

	Aug 13	Aug 12	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Year ago
Government Secs.	83.88	83.71	83.59	83.41	83.18	82.96	82.57					
Fixed Interest	80.58	80.65	80.44	80.47	80.29	80.14						
Ordinary ▲	909.6	904.8	905.5	905.0	905.7	905.1	904.8					
Gold Mines	343.2	340.1	337.2	338.5	310.0	298.1	281.0					
Ord. Div. Yield	4.88	4.85	4.87	4.88	4.89	4.85	4.85					
Earnings, Ytd. E/FUN	120.2	118.9	118.4	120.3	120.6	114.5						
P/E Ratio (net) ▲	10.36	10.30	10.28	10.28	10.31	10.30						
Total bargains ▲	32,968	31,859	30,058	34,986	34,525	31,717	18,000					
Equity turnover ▲	93,015	93,044	93,000	93,044	93,044	93,044	93,044					
Equity bargains ▲	561.34	564.05	566.8	515.61	359.51	247.98						
shares traded (m)	177.2	182.8	180.2	182.8	178.2	140.0						

▼ 10 am 950.2, 11 am 954.3, Noon 952.2, 1 pm 950.4.

2pm 950.1, 3 pm 950.0, 4 pm 950.4.

Day's High 955.0, Day's Low 955.0.

Basis 100 Govt. Secs, 15/10/83. Fwd Int. 15/10/83. Ordinary 1/7/85.

Last Index 91.346 9028.

▼ NH=8.85.

HIGHS AND LOWS S.E. ACTIVITY INDICES

	1985	Since Comptdate	Aug 12	Aug 13
	High	Low	High	Low
Govt. Secs.	95.87	95.08	97.4	97.4
Fixed Int.	86.74	86.24	86.17	86.03
Ordinary ▲	1094.5	911.0	1024.3	494.4
Gold Mines	563.9	580.2	580.2	580.2

▼ 10 am 950.2, 11 am 954.3, Noon 952.2, 1 pm 950.4.

2pm 950.1, 3 pm 950.0, 4 pm 950.4.

Day's High 955.0, Day's Low 955.0.

Basis 100 Govt. Secs, 15/10/83. Fwd Int. 15/10/83. Ordinary 1/7/85.

Last Index 91.346 9028.

▼ NH=8.85.

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (13)

BRITISH FUNDS (13)

Nationwide SIC 100

Ind. Corpo. Res. 100

CLARK MARSHALL 100

CLAYTON 100

DOYLE 100

EDWARD 100

ENGLAND 100

ERICKSON 100

FRASER 100

GREEN 100

HORN 100

JOHNSON 100

KELLOGG 100

LEWIS 100

MEPC 100

MONSANTO 100

PEPSICO 100

REED 100

ROBERTSON 100

ROTHSCHILD 100

SCOTT 100

SHAW 100

SIMPSON 100

SPAR 100

STANLEY 100

THOMAS 100

WHITE 100

WILSON 100



*Prices at 3pm, August 13*

## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

24<sub>13</sub> PheNG 2.32 7.5 9 9 304  
 1<sub>13</sub> Phe 1 15 272 23



# FINANCIAL TIMES

## WORLD STOCK MARKETS

### WALL STREET

## Retail sales build case for support

THE ANNOUNCEMENT that U.S. retail sales edged up by 0.4 per cent in July provided a slight boost to stock market confidence on Wall Street yesterday. Turnover remained thin, however, and equities were again held back by weakness in the bond market, writes Terry Elyard in New York.

The gain in retail sales was slightly better than forecast in the stock market but indicated that consumer spending might not yet be providing the driving power needed to lift the economy in the second half of the year.

At 2pm, the Dow Jones industrial average was 4.03 up at 1,318.32.

Takeover prospects and other special situations again provided the main features.

Market indices were helped by a recovery in Union Carbide, which regained \$1 of Monday's fall to reach \$49.5. The company said it was temporarily halting production of the chemical Aldrich at its West Virginia plant following last Sunday's leak of toxic gas.

The Dow transportation average recovered ground, fed by gains in some domestic airline stocks. There was heavy trading again in Pan Am, which traded \$4 off at \$33. The past week has seen substantial purchases of Pan Am stock by stock market arbitrageurs hoping for a bid move.

American Airlines, \$5 up at \$49, said

it had reached agreements with its workforce. At \$36.5, United added \$2. Brist turnover in Eastern, a favoured recovery stock, left the price \$4 easier at \$11.4.

Technology stocks left Control Data to suffer alone for straying temporarily into technical default on some loans. At \$23.5, Control Data fell \$1.1m in active turnover.

IBM gained \$4 to \$127.5, with the restraint in Wall Street's behaviour stock helping to rein in the rest of the market. Also unexecuting were Honeywell, \$4 better at \$84.5; Burroughs, \$5 up at \$63; and Digital Equipment, down \$4 to \$102.

Motor Stocks, however, remained sidelined by worries over the outlook for sales in the light of last week's statistics from the major Detroit names. General Motors shed \$4 to \$67.5 and Chrysler was out of favour again, dipping \$4 to \$35.5.

General Dynamics gained \$1 to \$77.5 after the U.S. Navy lifted the ban on new orders imposed after the investigation into contract payments. Other defence stocks were firm, and McDonnell Douglas added \$3 to \$78.5 on news of a contract for seven airliners for Japan. Boeing firmed \$4 to \$64.

TWA put on \$4 to \$22.5 on the board's announcement that it is postponing its decision on the rival bids for the airline from Texas Air, from Mr Carl Icahn, and from an employee group led by the former Governor of Missouri.

CBS jumped \$2.5 to \$111.5 in light trading as Wall Street pondered the chances for a new takeover bid — although Loews group has stressed that its newly-bought stake is strictly for investment purposes.

Turner Broadcasting dipped \$4 to \$13.5 after admitting that the expenses of the aborted bid for CBS will push it into a loss for the second quarter. MGM-

UA, Mr Ted Turner's new bid target, gained \$4 to \$24.5 awaiting the next move.

Other active features included M Lowenstein, \$3.5 higher at \$53.5 on disclosure that it is considering the sale of its 9.4 per cent stake in Clark Schwebel Fibreglass.

Retail issues made little response to the federal sales data for last month.

Sears added \$4 to \$35.5. The active spot was Revlon, \$1 up at \$43.5 on market hints that it might be a target for a bid from Richardson-Vicks, the medical products group which is itself seen as a takeover prospect. Among the utilities, United Energy Resources, which has agreed to its acquisition for \$1.14bn by MidCon, edged up \$4 to \$39.

But Middle South Utilities refused a rate increase to pay for its \$3.5bn nuclear power plant, fell \$1 to \$10.5.

On the American Stock Exchange, Wicks Company, the timber and building materials group which has recovered rapidly from its financial problems, held unchanged at \$4.5 after a 1m block of shares changed hands.

The credit markets remained subdued beneath the weight of Treasury paper taken aboard at last week's auctions. Federal funds moved above 8 per cent again, discouraging the short end of the market. Bonds were about 4% of a point down, but turnover remained sluggish as the market waited for further evidence on the progress of the economy.

### TOKYO

## Dual dismay fuels fresh declines

THE BANKRUPTCY of Sanko Steamship and the crash of a Japan Air Lines (JAL) Boeing 747 pushed share prices lower in Tokyo yesterday, writes Shigeo Nishizuka of *Japan Press*.

The Nikkei-Dow market average shed 48.17 points from the previous day to 12,326.71. Turnover shrank to 167m shares from Monday's 205m. Declines outnumbered advances by 483 to 263, with 155 issues unchanged.

Sanko, the leading tanker operator, went bankrupt with liabilities of Y500bn when it filed an application yesterday with the Kobe District Court for protection under the corporate rehabilitation law. The Tokyo Stock Exchange suspended the day's trading in Sanko shares.

Three major banks for Sanko — Daiwa Bank, Long-Term Credit Bank of Japan (LTCB) and Tokai Bank — came under heavy small-lot selling pressure. Daiwa lost Y30 to Y700 and LTCB Y130 to Y7,850. Tokai ended at Y990, unchanged from the previous day's finish. Their outstanding loans to Sanko stand at Y230bn.

JAL suffered a daily allowable loss of Y1,000 to Y6,000. All Nippon Airways, the second largest Japanese carrier and the fourth busiest stock with a turnover of 4.5m shares, fell Y10 to Y880.

Wakachika Construction topped the active list with 8m shares changing hands and rose Y5 to Y720. Shokusan Jutaku Sogo, the eighth most active stock with 2.4m shares, advanced Y4 to Y369, supported by a reported government policy to lower interest rates on housing loans for individuals. Meidensha added Y17 to Y441 and Nippon Gakki Y40 to Y1,250.

Bond prices strengthened in reaction to the yen's firmness against the dollar. Major U.S. economic indicators to be released this week are expected to show sustained stagnation of the U.S. economy, prompting investor expectations for U.S. interest rates to fall.

The yield on 6.8 per cent government bonds, falling due in December 1994, dropped to 6.295 per cent from the previous day's 6.310 per cent.

### HONG KONG

A TECHNICAL reaction to recent improvements pushed prices lower in Hong Kong on reduced turnover.

The Hang Seng Index, which increased 23 points on Monday, lost 12.34 to close at 1,567.09.

Hutchison Whampoa closed unchanged at HK\$28, after several days of gains on the basis that it is considering the purchase of a stake in Jardine Matheson or Hongkong Land. Jardine dropped 20 cents to HK\$13.80 and Hongkong Land was unchanged at HK\$8.65.

### SINGAPORE

A DECLINE across a broad front developed in Singapore on increased turnover.

The Straits Times index contracted 5.94 to 745.92, reflecting generally small price reductions.

DBS was the most active stock, easing 10 cents to \$35.0, while OCBC lost 15 cents to \$38.0, Genting 5 cents to \$35.50, Haw Par 3 cents to \$22.99 and Lee Kim Tah 11 cents to \$11.60.

### CANADA

DECLINES narrowly led advances in Toronto during moderate trading.

Gulf Canada, which as expected agreed to sell major assets to Petro-Canada, traded unchanged at C\$1.94, while trading in Canada Trustco was halted pending a statement.

Montreal was marginally firmer with most indices ahead.

### EUROPE

## Rate signals lead to confusion

THE LETHARGY that has dominated the European stock markets in recent days spread yesterday to the bond market as investors detected confusing signals over the likely direction of short-term interest rates. Isolated corporate results or special situations provided the only real interest, while a number of airlines rose.

Frankfurt, which has seen-sawed recently over the possibility of the Bundesbank cutting key interest rates, made a very cautious advance with a 4.5 rise in the Commerzbank index to 1,412.5.

Foreign buyers were absent as the dollar declined against the D-Mark, fuelling hopes that the central bank will trim its lending rates at tomorrow's policy meeting.

Bond prices eased in very quiet trading with losses of up to 20 basis points and sporadic gains of 10 basis points. The Bundesbank balanced the market with sales of DM 9.6m of paper compared with Monday's purchases of DM 20.2m.

In the stock market, car makers continued to lose ground with Porsche leading the decline as the quality sports car group, which depends on the U.S. market for a large portion of sales, dropped DM 17 to DM 1,285. Daimler suffered a 4.5m setback to DM 871.

Banks were steady in the light of interest rate possibilities with Commerzbank one of the few institutions to change from overnight levels with a 40 pg gain to DM 208.90. Chemicals were one of the few bright spots as Bayer put up DM 3 to DM 224, while BASF picked up DM 2.70 to DM 223.70.

Lufthansa benefited from a buy recommendation, taking the state airline DM 3 higher to DM 219.

The weaker dollar clouded Amsterdam as internationals turned mixed. Unilever displayed some strength, and

moved against the market on results with a FI 3 gain to FI 329.50 after the previous session's FI 5 drop.

Royal Dutch eased 30 cents to FI 189.00 and Philips, due to report today, edged 60 cents higher to FI 46.90.

KLM managed a modest 10 cent advance to FI 50.00.

ABN scored a dazzling FI 14 jump to FI 517 ex-rights, a new 1985 high, ahead of Friday's results and Amro firmed FI 1.70 to FI 87.50 on further consideration of last week's results.

Bonds eased where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has afforded some support to prices. There is some speculation that the Government

will ease where changed although the current shortage of paper has